



蒙特利尔地区中加企业商务中心
Centre d'affaires sino-canadien du Grand Montréal
Greater Montreal Sino-Canadian Business Centre



加拿大中国魁北克商业联合会
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Contents:

China may become scientific superpower1

China now second largest vehicle market1

China's WTO entry 'changing the world' 2

China could save a tarnished GM brand 2

China defines key national economic sectors 3

China rejects US criticism of post-WTO performance.....3

Capital flood brings fresh record finish 4

Brief Introduction of SCBC & CQCAC 4

Board members 4

Name list of founders 4

China may become scientific superpower

China plans to reshape itself as an innovative nation by 2020, and could become a scientific superpower by 2050.

A leading British think tank, London-based Demos, said that China is on the way to becoming a scientific superpower, thanks to the massive increase in its spending on research and the return of an increasing number of its scientists from abroad. But the Demos report warns that China's long-term progress could be hampered by its rigid institutional system.

Over the past 20 years, China's Taiwan and South Korea made themselves centres for innovation, while the Chinese mainland is catching up fast, and in some growth areas, such as nanotechnology, it is moving even faster than Europe. The report said, "The centre of gravity of innovation has started moving from the West to the East."

James Wilsdon, the report's co-author, said that the rising number of multinational R&D centers, steady return of

the country's scientists from the US and Europe and the growing pool of graduates will help China realize its goal, and Beijing's university district alone has as many engineers as all of Western Europe, and you can imagine how dynamic the potential is.

Since 1999, China's spending on research and development (R&D) has increased by more than 20 per cent a year. It has replaced Japan to become the world's highest spender on R&D after the US.

(Source: China Daily 18 Jan. 2007)

China now second largest vehicle market

According to China Association of Automobile Manufacturers, China's overall vehicle sales, including trucks and buses, rose 25.1 percent to 7.2 million units last year, and surged past Japan to become the world's No.2 vehicle market after the United States last year. This indicates China's lightning evolution from a "bicycle kingdom" into a major auto market where foreign producers are racing to open factories and target a growing urban middle class.

US and Japan's total vehicle sales were 16.5 million and 5.7 million units respectively last year, both down slightly from 2005.

An auto research firm for Asia-Pacific region predicted that China could overtake the United States as the top car market some time after 2015. China's annual income per person is just over \$1,000, and they're buying 7 million vehicles. Imagine what happens when that goes to \$2,000 or \$3,000.

China's biggest-selling automaker last year was Shanghai General Motors Corp., a GM joint venture, with 365,400 vehicles sold, according to the Chinese industry group.

The biggest Chinese manufacturer was Chery Automobile Co., with 272,400 units sold. Chery and DaimlerChrysler AG announced a plan last month for the Chinese company to make small cars for sale worldwide under the Dodge, Chrysler or Jeep brands.

The statistics from Chinese government shows that China's automakers exported about 325,000 vehicles last year, about 80 percent of them low-priced trucks and buses bound for developing markets in Asia, Africa and Latin America.

(Source: China Daily 12 Jan. 2007)



China's WTO entry 'changing the world'



China has experienced its first five years in the World Trade Organization by the end of 2006

China has experienced its first five years in the World Trade Organization by the end of 2006.

China has moved to a position as the world's third largest trading nation, up from sixth when it entered the WTO in 2001, embedding the nation seemingly irrevocably in the global economic system.

Much attention has been paid to cheap Chinese shoes and textiles flooding Europe and the United States, and the way underpaid Chinese labour may threaten to wipe out entire industries abroad.

Roughly one third of all anti-dumping cases in the world currently target China.

There are many products where China is dramatically increasing its market share in major overseas markets. On the other hand, Chinese import tariffs on beef are down to 12 percent from 50 percent, on barley from 114 percent to just three. On automobiles, they used to be as high as 100 percent, and now they are 25 percent.

"WTO is less about China's exports and more about China's imports. It's

more about China lowering its barriers," said David Zweig, an expert on China's transnational relations at Hong Kong's University of Science and Technology.

Foreign companies also do not sufficiently take into account the beneficial impact of cheaper Chinese products in an increasingly interdependent global economy, some analysts argued.

Cheap imports from China are not only a threat. They are also an opportunity.

(Source: China Daily 10 Dec. 2006)

China could save a tarnished GM brand



China is now GM's biggest market after the United States.

The auto industry publication shows that Buick sold 206,582 vehicles in the United States in the first 10 months of 2006, down 15.4 percent from the same period of 2005. During the same period, Buick sold 218,603 vehicles in China, an increase of 27.4 percent.

China is now GM's biggest market after the United States. Shanghai General Motors, a joint venture between GM and Shanghai Automotive industry, has overtaken German rival Volkswagen AG to become the top automaker in China in 2006, where it has 13

percent of the market.

While Buick has seen its status fade here in the United States, the longstanding American brand has never lost its reputation in China. And GM has managed to build on that status, selling vehicles under four major brands, Buick, Chevrolet, Cadillac and Saab, through Shanghai General Motors.

GM is working to revive its flagging business, which posted a worldwide loss of US\$10.6 billion for 2005, the booming Chinese economy is a significant new source of revenue that can provide the

company with the sort of strong growth that isn't found in the United States or other Western markets.

Over the four years ending in 2007, GM would have been investing US\$3 billion on building a network of dealerships and factories.

(Source: China Daily 21 Dec. 2006)



China defines key national economic sectors

In December 2006, China published a list of seven sectors critical to the national economy and in which public ownership is considered essential.

The sectors are armaments, electrical power and distribution, oil and chemicals, telecommunications, coal, aviation, and shipping, according to the State

Assets Supervision and Administration Commission (SASAC).

More than 40 of the 161 large state-owned companies (SOEs) supervised by the SASAC are engaged in these sectors.

Their total assets account for three quarters of all central SOEs, and they

generated 79 percent of the profits.

SASAC said China will reduce the number of central SOEs by at least one third to between 80 and 100 before 2010 through mergers in order to reorient state capital away from non-critical areas to priority sectors.

(Source: Xinhua New Agency 18 Dec. 2006)



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China rejects US criticism of post-WTO performance

U.S. Trade Representative's Office issued a report on December 11, 2006, accusing that China is failing to live up to its World Trade Organization commitments.

Experts in China had rejected the U.S. accusations and China has just received an "A-plus" performance rating from WTO director-general Pascal Lamy.

Complaining of a lack of a forceful crackdown on piracy, the U.S. report said, "China routinely fines copyright violators rather than prosecuting them."

But Zhao Yumin, an expert of the Commerce Ministry research institute, said China had issued regulations in 2004 that stipulated prison terms of

up to seven years for those convicted of selling more than 5,000 pirated discs.

"It is true that administrative penalties remain the common practice for dealing with copyright violators, but the government has become tough on the issue," said Zhao.



Regarding the market opening, the U.S. Trade Representative Susan Schwab said certain U.S. industries "face frustrating barriers to doing business in China and there are worrisome signs that China's market liberalization efforts have slowed in the last year".

Lan Yisheng, an economics professor with the Shanghai University of Finance and Economics, argued that every nation had the right to control industries of significant importance to national security. "It does not break WTO rules," he was quoted as saying in China Business News. "China opened all the sectors listed in its WTO commitments five years ago and removed barriers to foreign participation," said Zhao Yumin.

(Source: Xinhua News Agency 14 Dec. 2006)



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Capital flood brings fresh record finish

On January 19, 2007, Chinese shares jumped 2.73 percent, with banks and vehicle makers in favour, dealers said.

Nearly 60 companies rose by their 10 percent daily limit in very heavy trade of 89.64 billion Yuan in Shanghai alone. The Shanghai Composite Index, which covers both



A-and B-shares, rose 75.22 points at 2,832.21.

Investors once again took the rising Yuan as their lead and looked ahead confidently to what are hoped to be strong corporate results for last year.

(Source: South China Morning Post 19 Jan. 2007)

Seminar on rules of immigration in facilitating the trade and investment announced

The seminar on rules and regulations of immigration in facilitating the trade and investment as well as investment environment in Quebec will be held on 20 March 2007. The lecturer of the seminar are the experts from Immigration-Québec Direction régionale de la Montérégie Ministère de l'Immigration et des Communautés culturelles. All the members, non-members and readers are warmly welcome to attend the seminar. The seminar will be hold from 10:00 to 11:30 at Sino-Canadian Business Centre.

Greater Montreal Sino-Canadian Business

The Greater Montreal Sino-Canadian Business Centre and the China-Quebec Commerce Association of Canada were founded in 2004 and specialize in the development of Canadian and Chinese market by providing pre-marketing research and project selection as well as service facilities for promoting bilateral trade and commerce.

Our mission is to promote business opportunities for both Chinese and Canadian investors or entrepreneurs. We let you do business more efficiently and effectively. Our philosophy is simple: Unity is strength – if you cannot beat them, join them.

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