**Embassy of India**

**Beijing**

**{Trade & Commerce Wing}**

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**CHINA-COMMERCIAL SNAPSHOT: June 7– June 14, 2016**

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1. **External**

**Business alliance to enhance cross­border e­commerce along Mekong River**

Companies and organizations from six countries along the Mekong River, Cambodia, China, Laos, Myanmar, Thailand and Vietnam have established a business alliance, with a view to build a platform for cross­border e­commerce. The alliance, will boost cross­border trade through e­commerce across the Greater Mekong Sub­region (GMS), Yi Hong, chairman of the alliance, said at a forum on GMS economic cooperation held in Kunming, capital of southwest China's Yunnan province.

**China, Georgia agree for greater cooperation on Silk Road Economic Belt initiative**

China and Georgia agreed here to conduct deeper cooperation on China's initiatives of building Silk Road Economic Belt, vowing to speed up FTA negotiation. The consensus was reached during Chinese Vice Premier Zhang Gaoli's respective meetings with president and prime minister of the Transcaucasian country. In the meeting with Georgian President Giorgi Margvelashvili, Zhang called on both countries to explore cooperation on hydro­electricity, automobile, locomotive, mechanical and electronic products in the hope of cultivating a new growth point of production capacity cooperation.

# **Chinese, German companies sign 96 cooperation projects**

A total of 96 contracts worth 15 billion U.S. dollars were signed on June 13, 2016 between Chinese and German companies at the eighth Chinese-German Forum for Economic and Technological Cooperation. There is great room for cooperation between our two countries as both upgrade their economic structure, said Lin Nianxiu, deputy director of the National Development and Reform Commission (NDRC), the country's top economic planning body.

**China remains Dubai's top trading partner in Q1 2016**

China topped Dubai's trading partners with bilateral trade totaling 39 billion dirham (10.6 billion U.S. dollars) in the first quarter of 2016, Dubai Customs said here on June 13, 2016. India followed second with 24 billion dirham (6.5 billion dollars) worth of trade. The United States came third with 22 billion dirham (six billion dollars). China became Dubai's biggest trade partner in 2014, when it surpassed India for the first time with bilateral ex change hitting 175 billion dirham (47.7 billion dollars).

I. **Internal**

**China's ship-breaking industry under stress**

China's ship­breaking industry is feeling stressed down by low steel prices, scrap oversupply and green production methods . The room for profit will continue to be squeezed this year by declining steel prices and the high cost of environment­friendly ship­breaking methods. Yet, pain will come despite favorable policies of the past three years to encourage higher ship­breaking in response to overcapacity and sluggish global trade. The ship­breaking industry supplies raw materials to infrastructure projects in a number of sectors such as hydropower, housing, bridge and railway construction, particularly in developing countries.

**China's insurance sector to expand on rising middle class, aging population**

China's insurance sector will continue to improve to meet demand from the swelling middle class and an aging population, the top insurance regulator said on June 12, 2016 at a forum in Shanghai. China's insurance sector saw its best performance in 2015 since the global financial crisis, with premium income reaching 2.4 trillion yuan (around $366 billion), said Xiang Junbo, chairman of China Insurance Regulatory Commission (CIRC), at Lujiazui Forum in Shanghai. Xiang said insurance firms have been encouraged to invest in elderly care services, including senior care homes and reverse home mortgages.

**China opens Horgos railway port in Xinjiang**

The railway port of Horgos in Northwest China's Xinjiang Uygur autonomous region, which borders Kazakhstan, was officially opened June 14, 2016. Horgos railway port began a restricted­operating period in 2012. From December 2012, when a cross­border railway between China and Kazakhstan via Horgos opened. Until April 2016, the import and export trade volume via the railway port of Horgos totaled $4 billion.

**China's TV shopping sales up 13 pct in 2015**

TV shopping in China grew 13 percent in 2015, according to a report issued by the Ministry of Commerce. Sales by 32 TV shopping companies reached 39.9 billion yuan (6 billion U.S. dollars) last year and grew at 2.3 percentage points more than general retail sales. TV shopping industry also played a constructive role in generating jobs, with the number of employees standing at 166,000 last year. TV shopping sales are expected to expand by 15 percent to 46 billion yuan in 2016, according to the report.

III. **Industry and Companies**

**China Three Gorges to buy German wind park Meerwind from Blackstone**

China Three Gorges, which operates the world's largest hydropower plant on China's Yangtze river, will buy German offshore wind park Meerwind from US buyout firm Blackstone, the companies said on June 13, 2016. The terms of the sale were not disclosed but people familiar with the process said they expected it to be valued at around 1.6 billion euros ($1.8 billion).

**Microsoft to buy LinkedIn for $26.2b**

Microsoft Corp agreed to buy LinkedIn Corp for $26.2 billion in its biggest­ever deal, combining the software giant's fast­growing cloud services business with the world's largest online network for professionals. The offer of $196 per share represents a premium of 49.5 percent to LinkedIn's Friday closing price. LinkedIn's shares were jumped 48 percent to $194.28 before the opening bell on June 13, 2016 Microsoft's shares were down 3.3 percent.

**Bank of Beijing to invest in tech startups for high growth**

Bank of Beijing Co Ltd is preparing to launch an investment subsidiary to invest in technology companies with potential for high growth, as well as lending to startups. The move follows the Bank of Beijing's selection by the China Banking Regulatory Commission as one of the first batch of 10 banks to participate in a pilot program to establish an "investment and loan linkage mechanism" for qualified technology startups.

**Merger of China Shipbuilding's two units to improve efficiency**

State­owned China Shipbuilding Industry Corp or CSIC, the primary contractor for China's naval force, is transferring the assets of its subsidiary Qingdao Beihai Shipbuilding Heavy Industry Co to Wuchang Shipbuilding Industry Group Co, another of its subsidiaries, to enlarge the latter's capacity in building both military and commercial vessels. The Hubei­based Wuchang Shipbuilding is one of China's manufacturing bases to build conventional submarines and frigates, as well as maritime defense equipment and law­enforcement vessels.

IV. **Statistics and Figures**

**China's electricity consumption increases in May**

China's use of electricity rose 2.1 percent in May, 2016 from the previous year, up from the 1.9 percent growth registered in April, official data showed June 14, 2016. Electricity consumption totaled 473 billion kilowatt hours last month. In the first five months, electricity consumption increased 2.7 percent year on year to 2.3 trillion kilowatt hours, the commission said.

**China's fiscal revenue rises 7.3% in May**

China's fiscal revenue rose 7.3 percent year on year to 1.546 trillion yuan ($234.8 billion) in May, data from the Ministry of Finance showed. The revenue growth was down from the 14.4­percent gain posted for April. The central government collected 756.9 billion yuan in fiscal revenue, down 2.2 percent year on year, while local governments saw fiscal revenue expand 18.3 percent to 789.2 billion yuan.

**China's exports rise, imports rebound in May**

China's export growth in yuan-denominated terms slowed to 1.2 percent year on year in May from 4.1 percent in April, according to customs data. Imports grew 5.1 percent, significantly rebounding from a 5.7­percent decline in April, according to figures from the General Administration of Customs (GAC). Trade surplus last month was 324.8 billion yuan ($50 billion), up from April's 298 billion yuan.

**China's property investment slightly slows down, while sales increased**

Growth in China's real estate investment slightly cooled in the first five months of the year, while property sales continued to boom, official data showed June 13, 2016. Growth in property investment from January to May slowed to 7 percent, following a 7.2­percent gain posted for the first four months, according to the National Bureau of Statistics (NBS). Property sales from January to May were positive. In floor terms, property sales jumped 33.2 percent in the first five months, slightly lower than the 36.5­percent gain in the first four months.

**(J.Rocheus Sukanya)**

**Third Secretary (LT)**

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