**Embassy of India**

**Beijing**

**{Trade & Commerce Wing}**

**\*\*\***

**CHINA-COMMERCIAL SNAPSHOT: July 26, 2016 – August 1, 2016**

**Summary:**

**I) External**

* **Pakistan's Punjab inks deals with China to cement ties**
* **African deals worth $18 billion signed**
* **China tops in FDI pledges to Nepal in 2015-16 fiscal year**
* **China criticizes EU anti-dumping move on steel bars**
* **China ratifies UN TIR Convention to boost trade**

**II)  Internal**

* **China inspects local governments after private investment slowdown**
* **New rules clear way for ride-hailing services**
* **Chengdu opens first financial makerspace**

**III) Industry and Companies**

* **CSRC levied heavy fines against Industrial Securities Co,**
* **Huawei increases H1 shipments by 25%**
* **Shanghai Fosun Pharmaceutical (Group) Co Ltd to acquire stake in Indian pharma company**
* **Fosun Group acquires Latin American company Rio Bravo Investimentos**
* **East China province opens first direct air route to North America**
* **China nuclear giant CGN wins French wind power contract**
* **Cooperation deal to advance launch of nuclear icebreakers**
* **Apple Inc recorded decline in revenue in the three months that ended in June**

**IV) Statistics and Figures**

* **China's foreign service trade deficit widens in June**
* **China's bank card transactions soar 87% in 2015**
* **Manufacturing PMI slips into contraction territory**

**--------------**

**i)**                  **External**

**Pakistan's Punjab inks deals with China to cement ties**

Punjab, Pakistan's largest province in terms of population and economy, inked seven agreements and 17 memorandums of understanding (MoU) with Chinese enterprises, in Beijing July 26, 2016, during Chief Minister of Punjab (CM) Shehbaz Sharif's ongoing China visit. The deals involved the industry of energy, textiles, water treatment and steel and were also related to the establishment of industrial estates, training of master trainers in different skills, and the promotion of trade fairs and exhibitions. The chief minister revealed the development of projects in Punjab under the China-Pakistan Economic Corridor (CPEC), said the pace of implementation of these projects in Pakistan was unprecedented.

**African deals worth $18 billion signed**

More than 40 deals worth $18 billion were signed in Beijing on July 28, 2016 between Chinese and African businesses and financial institutions. The agreements, signed during a China-Africa Business Cooperation seminar, cover infrastructure construction, energy and manufacturing. During the summit, President Xi Jinping put forward 10 major plans to boost cooperation with Africa in the next three years and said China would provide a $60 billion investment package to finance the implementation of the initiatives

**China tops in FDI pledges to Nepal in 2015-16 fiscal year**

China topped the chart in making foreign direct investment (FDI) to Nepal in the last 2015-16 fiscal year, pledging more than one-third of total FDI commitments the country received. According to the Department of Industry (DoI), which registers industries, investment pledges from China stood at $57 million (6.21 billion Nepalese rupee) against the total FDI pledge of $140 million (15.13 billion Nepalese rupee) last fiscal that concluded in mid-July.

**China criticizes EU anti-dumping move on steel bars**

The European Commission's latest decision to raise anti-dumping duties on Chinese steel bars "provided unjustifiable protection for the EU steel industry," China's Ministry of Commerce (MOC) said August 29, 2016. High fatigue performance steel concrete reinforcement bars (HFP rebars) imported from China will be subject to duties of 18.4 to 22.5 percent, the commission ruled on August 29, 2016 after an anti-dumping probe.

**China ratifies UN TIR Convention to boost trade**

China has become the 70th country to ratify the United Nation's Transports Internationaux Routiers Convention, the global standard for international freight customs transit. "China's accession to the TIR Convention will open new efficient and faster transport opportunities and transport routes between China and Europe. It can become a real game changer for international trade and is a strong contribution to the Chinese vision for the Belt and Road Initiative," said UNECE Executive Secretary Christian Friis Bach.

 I.**Internal**

**China inspects local governments after private investment slowdown**

China's cabinet said July 28, 2016 that inspectors had been dispatched to seven provinces and municipalities that reported huge but markedly slowed private investment. The inspection teams consist of officials from the National Development and Reform Commission and other relevant departments, according to a notice from the State Council. The regions to be inspected are Beijing, Liaoning, Anhui, Shandong, Henan, Hubei and Qinghai. China saw fixed-asset investment by the private sector increase 2.8 percent in the first half of the year, down from 3.9 percent in the first five months and 5.7 percent in the first quarter.

**New rules clear way for ride-hailing services**

A long-awaited regulation giving legal status to online car-hailing services in China was released by the central government on July 28, 2016. The regulation, approved and released by the State Council, which will take effect on Nov 1, aims to regulate the taxi market and car-hailing services in China. The regulation also requires that car-hailing platforms, such as Didi Chuxing and Uber Technologies, review the qualifications of drivers and their cars to guarantee safe rides.

**Chengdu opens first financial makerspace**

China's first makerspace dedicated to financial start-ups opened in the southwestern city of Chengdu on July 26, 2016.The finance incubator, Financial Dreamworks Chengdu, will target players in financial technology and services such as hedge funds, digital currency and peer-to-peer lending, according to Miao Wei, general manager of the center's sponsor, Chengdu Financial City Investment & Development. The center is located in Chengdu Financial City, home to over 350 financial institutions and more than 50 non-financial companies.

III.**Industry and Companies**

**CSRC levied heavy against Industrial Securities Co,**

China's securities regulator on July 29, 2016 issued an administrative penalty and levied heavy fines against mid-sized brokerage Industrial Securities Co, for negligence of its duties in relation to its client Dandong Xintai Electric Co, the first company to be delisted because of IPO fraud. Shenzhen-listed Xintai is in the process of delisting for fabricating financial information, including in its application for its initial public offering.

**Huawei increases H1 shipments by 25%**

Huawei Technologies Co Ltd grew its half-year smartphone shipments 25 percent to 60.56 million units, thanks to its increased efforts to expand global retail channels and the growing popularity of its high-end devices in overseas markets. The robust performance highlighted that the world's third-largest smartphone vendor has maintained strong momentum despite the slowing global demand and the mounting competition from rivals such as Samsung Electronics Co Ltd, experts said.

**Shanghai Fosun Pharmaceutical (Group) Co Ltd to acquire stake in Indian pharma company**

Shanghai Fosun Pharmaceutical (Group) Co Ltd announced that it will acquire an 86.08 percent stake in Indian pharmaceutical enterprise Gland Pharma Ltd for $1.26 billion, in the largest overseas acquisition by a Chinese pharmaceutical company. Gland Pharma, one of world's largest providers of injectable generic medicines, will remain headquartered in Hyderabad after the acquisition

**Fosun Group acquires Latin American company Rio Bravo Investimentos**

The Fosun Group, a major China-based investment group, with operations in several countries, signed July 30, 2016 an agreement to acquire Rio Bravo Investimentos. This is the first equity acquisition by Fosun Group in Latin America, and an important step on further carrying out the strategy of leveraging the strong local investment capabilities.

**East China province opens first direct air route to North America**

Xiamen Airlines has begun a direct flights linking Xiamen in East China's Fujian province to Vancouver, Canada. A Boeing 787-8 aircraft, carrying 213 passengers, took off from Xiamen at 9:30 pm on August 1, 2016 and arrived in Vancouver 12 hours later, the first direct route between the province and North America.

**China nuclear giant CGN wins French wind power contract**

China nuclear giant CGN said August 1, 2016 that it had partnered with French new-energy firm Eolfi on a winning tender for a floating wind power project in France. A consortium led by CGN European Energy and Eolfi won the 24MW project, which will be in the sea off the island of Groix in Brittany, it said.

**Cooperation deal to advance launch of nuclear icebreakers**

The cooperation deal signed between China National Nuclear Corp and China State Shipbuilding Corp will add new momentum to developing the country's civil maritime nuclear power technologies, experts said on July 27, 2016. The two State-owned companies signed a strategic cooperation framework agreement last week to enhance the integration of the civil and military industries and the Belt and Road Initiative.

**Apple Inc recorded decline in revenue in the three months that ended in June**

Apple Inc recorded decline in revenue in the three months that ended in June, the company reported on July 26, 2016. Its revenue in the third fiscal quarter reached $42.36 billion, down 15 percent year on year. It was the second quarter in a row for the technology giant to see falling sales. Its net income was $7.8 billion, down 27 percent. The revenue of its Greater China region, long a source of growth for the company, was $8.85 billion, down 33 percent year on year.

IV. **Statistics and Figures**

**China's foreign service trade deficit widens in June**

China's deficit in foreign service trading widened in June, according to data from the State Administration of Foreign Exchange released July 27, 2016. Income from foreign services stood at $22.3 billion in June, while expenditure was $41.7 billion, resulting in a $19.4 billion deficit. In May, the deficit was $18.3 billion.

**China's bank card transactions soar 87% in 2015**

China’s bank card market continued to expand rapidly, with transaction volume soaring 86.9 percent year on year in 2015, the latest data showed. Bank card transactions hit 1,420.8 trillion yuan ($214 trillion) last year, according to a report released by the China Banking Association.

**Manufacturing PMI slips into contraction territory**

China's manufacturing purchasing managers' index (PMI) came in at 49.9 in July, down from 50 in June, according to data released on August 1, 2016 by the National Bureau of Statistics.

**(J.Rocheus Sukanya)**

**Third Secretary (LT)**

**2.8.2016**