**Embassy of India**

**Beijing**

**{Trade & Commerce Wing}**

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**CHINA-COMMERCIAL SNAPSHOT: August 2, 2016 – August 9, 2016**

**Summary:**

**I) External**

* **China, Laos pledge to further promote cooperation in economy, trade**
* **China's first refrigerated container train leaves for Moscow**
* **Brazil now China's biggest source of beef imports**
* **Venezuela, China join efforts to produce oil**

**II) Internal**

* **Guangdong sets up tribunal to handle 'zombie companies'**
* **China's regional growth stable, but uneven in first half**
* **China creates new tourism SOE in merger**

**III) Industry and Companies**

* **Chinese company wins $3b railway contract**
* **Chinese firm reports record­breaking optic fiber transmission**
* **China Zheshang Bank records double­digit growth in loan balance**
* **ArcelorMittal transfers stake in Hunan Valin**
* **China's first home­made supercapacitor tram unveiled**

**IV) Statistics and Figures**

* **In July, imports fall by 5.7 % ; exports rise by 2.9 %**
* **China's forex reserves down slightly in July**
* **China's internet users total 710 million**
* **China's lottery sales rise 3.5% in the first half of 2016**
* **China tourism revenue up 12.4% in H1**
* **Tibet receives over 6.8 mln tourists in H1**

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1. **External**

**China, Laos pledge to further promote cooperation in economy, trade**

China and Laos on August 4, 2016 vowed to promote all­round mutually beneficial cooperation as this year marks the 55th anniversary of the establishment of bilateral diplomatic ties. The pledge came as Lao Prime Minister Thongloun Sisoulith met with visiting Chinese Minister of Commerce Gao Hucheng here on August 4, 2016. The two sides hailed the progress in bilateral economic and trade cooperation and signed three cooperation documents on economy and technology.

**China's first refrigerated container train leaves for Moscow**

China's first refrigerated­container train left for Moscow from northeast China's Dalian on August 8, 2016, marking the opening of a new transport link between the two countries. The new refrigerated­freight line is 8,600 km long, with trains taking about 10 days to reach Moscow. After crossing the border, goods will switch to a Russian freight train in Baikal, Siberia. The new transport link will shorten the journey time by 60 percent as the old route used sea and rail travel.

**Brazil now China's biggest source of beef imports**

 About a year after recovering from a scare related to mad cow disease, Brazil has supplanted Australia as the biggest seller of beef to China. A production deficit is widening in China, and imports are heading for a record. Brazil's ample supplies and low prices helped companies to boost exports to China by 65 percent in the first half of the year. While the Chinese eat far more pork than any other meat, per­capita consumption is falling. At the same time, demand for beef is increasing.

**Venezuela, China join efforts to produce oil**

State­run oil companies of Venezuela and China are joining hands to boost oil output from the Orinoco oil belt in southeastern Venezuela, which boasts one of the world's largest oil reserves. The Venezuelan government is seeking to export up to 1 million barrels of oil a day to China. Venezuela's PDVSA and China National Petroleum Corporation (CNPC) are working together on an expansion plan to raise the export from the current 600,000 barrels per day (bpd), turning the South American country into a reliable oil exporter.

I. **Internal**

**Guangdong sets up tribunal to handle 'zombie companies'**

 Guangdong sets up bankruptcy court to hear high number of expected cases A provincial tribunal for bankruptcy cases was unveiled in the Guangdong High People's Court in Guangzhou on August 8, 2016, in a move to handle disputes brought on by "zombie companies" and to accelerate local economic development. It is the first tribunal established within a provincial high people's court, as Chinese courts give bankruptcy cases greater attention, according to Tan Ling, vice­president of the Guangdong court.

**China's regional growth stable, but uneven in first half**

China's regional economies grew stably in the first half (H1) of 2016, but were marked by performance divergence, said the National Development and Reform Commission (NDRC), the top economic planner. The underdeveloped western region posted the fastest growth rate of 8 percent year on year, well above the national average of 6.7 percent; the central and east regions grew by 7.8 percent and 7.6 percent respectively; while the northeast rust belt increased by 2.2 percent, said the NDRC.

**China creates new tourism SOE in merger**

China Tourism Group Corporation was officially established on August 3, 2016, with the merger of two State­owned enterprises (SOEs) under the direction of the country's State­asset watchdog. The new company has become China's largest tourism SOE and is regulated by the State­owned Assets Supervision and Administration Commission.

III. **Industry and Companies**

**Chinese company wins $3b railway contract**

China Railway Group Limited won the bid for the Bangladesh Padma Bridge Rail Link Project with a total contract value of 20.81 billion yuan ($3.13 billion), according to an announcement released by the group on August 9, 2016. The construction contract signed with Bangladesh Railway accounts for 3.33 percent of CREC's latest revenue. The project's newly built line, starting from the existing Dhaka station to Jessore, will reach a total length of 168.6 km, and is projected to reshape the Southwest Bangladesh railway network.

**Chinese firm reports record­breaking optic fiber transmission**

Chinese firm FiberHome has developed a type of optic fiber that can transmit 400 terabytes of data per second, breaking the world record for the amount of data that can be transmitted on optic fibers, the company said. Such capacity would allow for simultaneous phone calls by 4.8 billion people and the transmission of 40,000 blue­ray high definition movies (10 gigabytes per movie) in one second, according to the company based in Wuhan.

**China Zheshang Bank records double­digit growth in loan balance**

China Zheshang Bank Co Ltd, a national joint equity commercial bank based in East China's Zhejiang province, increased its loan balance to smalland medium­sized enterprises by double digits in the first half of 2016, with the bank loan to SME's being at 12 percent from the beginning of this year to 120.55 billion yuan ($18 billion); while keeping its nonperforming loan ratio low, at 1.4 percent NPL ratio to SMEs at the end of June.

**ArcelorMittal transfers stake in Hunan Valin**

Indian multinational steel giant ArcelorMittal has transferred 1.1 billion yuan ($165.9 million) worth of shares in Hunan Valin Steel Co Ltd to a Chinese fund, citing Valin's main business shift from steel to finance. ArcelorMittal signed an agreement with Shenzhen Qianhai Eagle Fund Management Co Ltd on August 2, 2106 for the sale of its 304 million A shares. The shares account for 10.08 percent of the total shares of Valin.

**China's first home­made supercapacitor tram unveiled**

China's first independently designed supercapacitor tram rolled off the production line in Central China's Hunan province August 1, 2016. The tram uses supercapacitor energy storage to operate without external wires and can be fully charged during a 30­second stop and run for 3 to 5 kilometers. This is the first time all the technology, even the spare parts, are independently provided by China.

IV. **Statistics and Figures**

**In July, Imports fall by 5.7 % ; exports rise by 2.9 %**

China should facilitate regional trade and expand global use of renminbi, expert says China's exports rose by 2.9 percent year­on­year in July, while imports fell by 5.7 percent, leading to a monthly trade surplus of 342.8 billion yuan ($51.45 billion), figures released by the General Administration of Customs showed on August 8, 2016. Export growth in July was 1.6 percentage points higher than in the previous month, while the fall in imports increased from 2.3 percent in June.

**China's forex reserves down slightly in July**

China's foreign exchange reserves dropped to $3.201 trillion at the end of July, down from June's 3.205 trillion, the People's Bank of China, the central bank, said on August 7, 2016. The data was in line with market expectations after an unexpected rise surprised investors in June.

**China's internet users total 710 million**

China has 710 million internet users as of June, accounting for 51.7 percent of its total population, exceeding the global average by 3.1 percent, according to an official report released by the China Internet Network Information Center (CNNIC) on August 3, 2016. China gained about 21.3 million new web users in the first half of 2016, an increase of 1.3 percent compared with figures from the end of 2015, the report said. The report noted that 191 million people, almost 27 percent total internet users were from rural areas, marking a huge gap of 35.6 percent in the internet penetration rate between urban and rural areas.

**China's lottery sales rise 3.5% in the first half of 2016**

China's lottery sales rose 3.5 percent year on year to 194 billion yuan ($30 billion) in the first half of 2016, official data showed on August 2, 2016. Sales of welfare lottery tickets dropped 0.5 percent to 102 billion yuan, while sports lottery sales increased 8.4 percent to 92 billion yuan, the Ministry of Finance said in a statement. The lottery sales in south China's Guangdong province in H1 climbed the most, up by 2.42 billion yuan, while Hubei, Henan and Yunnan also posted large increases, according to the statement.

**China tourism revenue up 12.4% in H1**

China's tourism industry raked in 2.25 trillion yuan ($346 billion) in revenue in the first half of the year, up 12.4 percent year on year, official statistics showed on August 1, 2016. Domestic tourists made 2.24 billion trips in the first half, an increase of 10.5 percent. Inbound and outbound trips edged up 4.1 percent to 127 million, China National Tourism Administration (NTA) said. Tourism has become a strong engine for economic growth. The sector contributed 10.8 percent to GDP last year and created 10.2 percent of new jobs, according to NTA data.

**Tibet receives over 6.8 mln tourists in H1**

More than 6.8 million Chinese and foreign tourists visited southwest China's Tibet Autonomous Region in the first half of 2016, up 31.9 percent year on year, authorities said on August 4, 2016. Tourism revenue during the period increased by 32.1 percent year on year to 7 billion yuan (1.05 billion U.S. dollars), according to a statement issued by the regional tourism development commission. Tourism authorities and resorts now offer special tours, inviting visitors to enjoy the region's festivals, hiking trails, and cuisine and the ourism experts forecast more tourists in the following months than the first half as the region will host the China Tibet Tourism and Culture Expo, and celebrate the shoton (Yogurt) and the horse race festivals.

**(J.Rocheus Sukanya)**

**Third Secretary (LT)**

**10.8.2016**