

>> FROM PAGE 22

to take off in recent years as SOE monopolies in many sectors shut out smaller firms and caused low efficiency and poor service.

So far, almost 69 percent of central SOEs at all levels have been involved in the mixed-ownership reform, while 47 percent of local SOEs were also involved, according to SASAC data.

In key sectors such as electricity, telecommunications, aviation and defense, 19 groups were chosen to start such reforms, according to Peng Huagang, deputy secretary-general of SASAC.

In August, China Unicom, one of the country's telecom giants, announced plans to bring in private investment mainly by issuing shares to companies including China Life and Tencent, marking top-level mixed-ownership reform at State firms.

"The SOE reform is an open process, which aims to attract partners in all types of ownership," said Peng.

"China also welcomes the participation of foreign enterprises in the process, if they are interested," he said. "With reforms deepening, the SOEs will take on a new look and make new achievements."

Li Jin, chief researcher at the China Enterprise Research Institute in Beijing, agreed. "Protecting the interests of SOE employees will be a major task in the next step of SOE reforms."

Looking ahead, the reform will be mainly pushed forward through M&As instead of bankruptcies, Li said, adding that China will not experience another upsurge in layoffs like the one seen during SOE reforms in the 1990s.

As restructuring has mainly involved mergers within the SOE sector, the Institute of International Finance, a global association of around 500 major financial institutions, said it does not expect widespread failures or losses to be incurred in the new round of SOE reforms.

Stated differently, the reforms would not threaten employment or create unmanageable systemic risk in China.

Data from the Ministry of Finance show that by the end of June, SOEs' total liabilities amounted to 94.13 trillion yuan, up 11.4 percent from last year, while assets were worth 143.5 trillion yuan, up 11.5 percent.

Gao Peiyong, director of the Institute of Economics at the Chinese Academy of Social Sciences, said it is good for China to gradually get rid of excess industrial capacity even though "quite a few workers will lose their jobs". He warned of risks to the financial sector if China does not move quickly enough on this front.

"(On their books), financial institutions have a lot of outstanding loans extended to zombie enterprises," he said. "When you select companies, you are going to do some kind of cleanup when you take the bad loans off the banks' balance sheets. It needs to be done fast and efficiently."

Westerners snap up high-tech made-in-China toilet seats

Company whose products are already a hit in Europe and the US looks at domestic market

By **ZOU SHUO** in Beijing and **YANG JUN** in Guiyang

From designs that glow at night to models that can be used to potty train kids, made-in-China electronic toilet seats are winning the hearts of consumers the world over, particularly in the West.

Topseat now sells around 2 million toilet seats every year globally, netting \$26 million, according to Wu Dongcheng, president of the company.

Its clients include home improvement retailers such as Home Depot and Lowe's in the United States, and Germany's OBI. Its high-tech toilet seats are also sold on Amazon under the Topseat trademark.

"More than 70 percent of our products are exported to Germany and we have taken up more than 60 percent share for the do-it-yourself toilet seat market in Germany, with that for mid- to high-end ones reaching 80 percent," said Wu.

He added that the company's toilet seats are sold in more than 70 countries, including France, Italy, South Africa and Zimbabwe.

It has been quite a turnaround for the 42-year-old businessman, who set up the company in 2003 as a trial program to boost his resume for a business school application.

In 2003, the company sold the first batch of 2,000 toilet seats to an Italian company at \$4 each. But now its products are sold at \$35 to \$70 each in the US, while the price in the European market is even higher, with some products costing more than 100 euros (\$117).

From its factory in Anshun, a city in Southwest China's Guizhou province, Topseat creates decorative toilet seats from locally sourced, environmentally friendly materials such as bamboo, straw stalks and bio-glues.

Being eco-friendly is a key factor for the company's success in the Western markets, as consumers are more environmentally concerned, Wu said.

In 2014, the company took the lead in making toilet seats from straw stalks, to turn this potentially polluting material into a business opportunity. Topseat has an agreement with Xiayun township in Anshun, which buys straw stalks from local farmers on behalf of the company.

Sales of toilet seats made of straw stalk are expected to reach more than 200,000 this year. Topseat is negotiating with the World Wildlife Fund to use the WWF logo on its product packaging.



A worker fixes brackets to a toilet seat at the factory of Topseat in Anshun, in Southwest China's Guizhou province.

PHOTOS BY YANG JUN / CHINA DAILY



A consumer checks out a toilet seat at a Topseat showroom. The firm's colorful products feature many designs.

"We aim to increase the sales of straw-made toilet seats to 5 million units annually in the next five years," said Wu.

Innovation is another reason for Topseat's success. It holds more than 1,000 patents for its more than 5,000 pattern designs. These include everything from flying birds, flowers, whales and turtles to the Eiffel Tower, and some even have relief sculptures and 3-D effects.

"Most of our toilet seat covers have slow-close feature: As the lid closes, you can see the whole pro-

cess of flowers blossoming," said Wu.

One well-received seat can be used for both adults and small children, making it a good choice for families with toddlers.

Topseat uses a magnet to connect the toddler seat to the lid, so it is hidden when it is not in use. In addition, the child's fingers will not get trapped as both the lid and the adult seat have the slow-close feature.

The company developed this special toilet seat cover in 2007. In the same year, the model sold more

than 400,000 pieces in the US market, giving the design a head start and the company millions of dollars in revenue.

"This seat is very easy to install and seems to be made from high-quality materials. I have never spent this much for a toilet seat and this is well worth the price," wrote one customer on Amazon.

Another said: "I feel a little silly to rave about a toilet seat, but the turtle on the seat is gorgeous. The fish and turtle appear to move and the design changes to another scene as you look from different angles."

Topseat also wants to tap into the Chinese market.

In 2015, reports of Chinese tourists swarming stores in Japan during the Chinese New Year holiday to buy electronic toilet seats in stock provoked heated discussions among Chinese netizens when it was discovered that they were made in China.

The quality of toilet seat covers made in China is as good as, if not better than, those made by Japanese companies, said Wu, who also recognized that more marketing and advertising are needed before Chinese consumers know about and accept the Topseat brand.

Contact the writers at zoushuo@chinadaily.com.cn

Li Jiayue contributed to the story.