

BUSINESS

CHINA DAILY 中國日報 ASIA WEEKLY



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State planner vows to stabilize gas supply

The National Development and Reform Commission has vowed to ensure a stable natural gas supply through boosting domestic yield while increasing spot purchases of liquefied natural gas.

The country's top economic planner also called for natural gas to be transported from China's southern areas to ease shortages in northern regions, after the government reopened some coal-fired power plants and cut output from gas-fired generators, to ease a fuel shortage and heating problems in some parts of the north.

It said on Dec 18 it had asked State energy majors China National Petroleum Corp, China Petroleum & Chemical Corp and China National Offshore Oil Corp to cut natural gas supplies to some industries, including chemical, methanol and fertilizer producers, by around 15 million cubic meters each day.

Former British PM to lead China-UK fund

Former British prime minister David Cameron has accepted a lead role with a newly proposed 750-million-pound (\$1 billion) China-UK fund at a time when the United Kingdom is strengthening its relationship with China amid uncertainty around its pending exit from the European Union.

Announced on Dec 16 as one of 72 outcomes of the 9th China-UK Economic and Financial Dialogue held in Beijing, the fund is being hailed as a new milestone in the "golden era" of China-UK relations that began in October 2015 when President Xi Jinping met Cameron during Xi's state visit to the UK.

Cameron will be vice-chairman of the new fund, a private-sector initiative involving institutional investors from China and the UK that involves no taxpayer money.

SF to invest \$348m to build cargo airport

Chinese logistics firm SF Holding, the parent company of SF Express, announced on Dec 14 an investment of 2.3 billion yuan (\$348 million) to build Asia's first professional cargo airport in the heart of the country.

The project has already been reported to the National Development and Reform Commission, and construction is expected to start soon in Ezhou, a city near Wuhan, the capital of Central China's Hubei province.

The provincial government and an investment company in Shenzhen, in the southern Guangdong province, also invested 2.45 billion yuan and 250 million yuan respectively, bringing the total registered



An Ultraman robot dressed as a chef slices noodles to attract customers in a shopping mall in Neijiang, Southwest China's Sichuan province. Ultraman is a superhero from a popular Japanese television series. LAN ZITAO / FOR CHINA DAILY

capital of the new airport to 5 billion yuan.

The airport, customized for SF Express, which owns a 46 percent stake, is positioned as a hub cargo airport and a regional airport for passenger transportation.

Tencent, JD to invest \$863m in Vipshop

Chinese tech heavyweights Tencent and JD said on Dec 18 that they will jointly invest \$863 million in cash in Chinese online discount retailer Vipshop Holdings.

Tencent and JD will purchase the newly issued Class A ordinary shares of Vipshop for \$604 million and \$259 million respectively. The purchase price will be \$65.40 per Class A ordinary share, which is equivalent to \$13.08 per American depositary share of Vipshop.

Upon completion of the transaction, Tencent and JD will take 7 percent and 5.5 percent stakes in Vipshop, respectively. Along with the equity investment, the two companies have inked a strategic cooperation agreement with Vipshop.

Under the agreements, Tencent will allow Vipshop to capture traffic from WeChat, and JD will integrate Vipshop features into its own app and assist the firm in reaching sales targets.

Home prices remain steady in key cities

New home prices in most cities across China were lower on a year-on-year basis last month, and home prices in key cities are stable,

according to the National Bureau of Statistics (NBS), which released monthly housing market data on Dec 18.

Liu Jianwei, a senior statistician at the NBS, said new home prices in most of 70 monitored cities in November were lower than in 2016. Second- and third-tier cities witnessed slight growth in new home prices. New home prices in first- and third-tier cities slowed in November.

Among the 15 key cities, housing markets are stable and growing steadily. On a month-on-month basis, seven cities experienced new home price declines, at levels between 0.1 percentage points and 0.3 percentage points. New home prices in Beijing, Shanghai and the central cities of Zhengzhou and Wuhan remained at the same level as in October.

China Telecom units to manage \$12b in assets

China Telecommunications Corp, the country's third-largest telecom carrier by mobile subscribers, has set up two investment units to manage assets worth more than 80 billion yuan (\$12 billion) and develop new growth engines from the Internet of Things, smart homes and other sectors.

The two investment units — China Telecom Group Investment Co and Tianyi Capital Holdings — were registered in October and November with capital of 5 billion yuan each, according to Tianyancha, a data bank that tracks business registration information in China.

The two units are positioned as investment and capital operation platforms to speed up strategic transformation at China Telecom, according to a recent job posting on the telecom carrier's official website.

They will operate six funds to invest in smart hardware, the Internet of Things, smart homes, emerging information communication technology, finance and other fields, the post said.

Debt risks of central SOEs under control

Debt risks at China's centrally administered State-owned enterprises (SOEs) are under control as the government has taken various measures to reduce the debt ratio, the State assets regulator said on Dec 15.

By the end of November, the average debt-to-asset ratio of China's central SOEs dropped to 66.4 percent, 0.3 percentage points lower than the beginning of this year, the State-owned Assets Supervision and Administration Commission (SASAC) said.

"We have fully checked their bond repayment risks, drawn a debt ratio alarm line for each industry, and made specific requirements on the investment scale for each enterprise and each industry," said Peng Huagang, deputy secretary-general of SASAC.

Profits at China's central SOEs rose 17.2 percent year-on-year to 1.33 trillion yuan (\$201.6 billion) in the first 11 months of this year, which was the highest growth rate in five years.

Quotable

"It is very rare to see steel with high strength and tenacity. This makes it an excellent choice for buildings in the seismic zone."

WANG PING, chief engineer of Zhengzhou Yongtong Special Steel, which has developed structural steel products for use in earthquake-prone areas.

"Committed. Confident. Innovative."

DOUG BAKER, CEO of Ecolab, a global leader in water, hygiene, and energy technology and services, when asked to use three words to describe China today.

"China has been growing at double-digit rates and we are projecting that China will continue to grow at double-digit rates, while the global animal health industry has been growing at 5 percent to 6 percent annually."



JUAN RAMON ALAIX, CEO of Zoetis, the world's largest animal health company by revenue, on his industry's prospects.