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Regulator to tighten anti-monopoly law

China will strengthen anti-monopoly law enforcement and tackle price collusion behaviors in key areas affecting people's livelihood and treat domestic and foreign companies on an equal footing, according to the nation's top pricing regulator.

Some of the key industries include natural gas, pharmaceuticals, intellectual property and automobile manufacturing, where price-fixing behaviors often exert wide influence on people's daily lives, according to the Price Supervision and Anti-Monopoly Bureau with the National Development and Reform Commission.

Other sectors include high-tech industries such as the manufacturing of storage chips for mobile phones. Prices of storage chips had risen sharply over the past 18 months and triggered concerns at the regulator.

Internet giants invest in Wanda Commercial

Commercial property giant Wanda Commercial Properties Co has signed strategic investment agreements with several Internet giants to upgrade its retail business, a deal expected to pave the way for its planned initial public offering in August this year.

In a statement released on Jan 30, Dalian Wanda Group - Wanda Commercial's parent company - denied the move signals its exit from China's property market.

The investor group - including tech giant Tencent, leading e-commerce players Suning and JD, and property developer Sunac - plans to invest about 34 billion yuan (\$5.4 billion) to buy a 14 percent equity interest in Wanda Commercial, the company said.

Wanda Commercial will have an estimated value of 243 billion yuan after this latest investment.

Errant lenders set to face stricter control

China's top banking regulator has proved with actions that oversight in the banking sector will be tightened and regulatory standards will become stricter.

The China Banking Regulatory Commission (CBRC) has fined the Chengdu branch of Shanghai Pudong Development Bank 462 million yuan (\$73.5 million) for illegally covering up bad loans.

The SPD Bank branch, in Southwest China's Sichuan province, was found to have offered credit worth 77.5 billion yuan to 1,493 bogus firms via illegal means in exchange for repayments from enterprises to cover nonperforming loans.

The organized malpractice



Cruise ship *MS Artania*, under charter of German travel company Phoenix Reisen, docks in Sanya, South China's Hainan province, on Jan 29. There are 1,018 tourists from more than 20 countries on board the ship for its global cruise.

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reveals poor internal regulation, a low sense of compliance and an excessive focus on business expansion, according to the CBRC.

This came after the 722 million yuan fine imposed on Guangdong Development Bank in December for offering illegal guarantees for defaulted corporate bonds.

Bigger market role in yuan exchange rate

The People's Bank of China, the central bank, will allow the market to play a bigger role in determining the yuan's exchange rate while maintaining a prudent and neutral monetary policy this year, a top official said on Jan 29.

China will continue to deepen the reform of the yuan's exchange rate mechanism, based on market supply and demand, and adjust it according to a basket of foreign currencies, Yi Gang, vice-governor of the PBOC, wrote in an article in a local magazine.

The currency's exchange rate mechanism will be "managed and floating". It will be more flexible when both up and down fluctuations may become the normal trend, said Yi.

Fitch sells minority stake in joint venture

Fitch Ratings has sold its minority stake in its China joint venture, sparking expectations that international ratings agencies might seek independent development in China, as the country has pledged to further open the credit rating sector to foreign players by removing ownership restrictions.

The global ratings agency

announced on Jan 29 the sale of its 49 percent equity interest in China Lianhe Credit Rating Co to Singapore's sovereign wealth fund GIC, without disclosing the value of the deal.

Changyu buys stake in Australian winemaker

China's largest wine producer, Yantai Changyu Pioneer Wine Co, is purchasing 80 percent of Kilikanoon Estate of Adelaide, Australia, at A\$20.65 million (\$16.7 million), a decision that will further enhance the Chinese winery's global portfolio and help meet Chinese consumers' growing demand for quality wine.

Kilikanoon's chief wine operator Kevin Mitchell and managing director Warrick Duthy will retain their shares and stay on in their positions.

This is the fifth overseas acquisition for Changyu, a wine producer based in Yantai, East China's Shandong province, having expanded its global reach to wineries in France, Spain and Chile, according to Zhou Hongjiang, chairman of the company.

Founded in 1997, Kilikanoon is located in Australia's famous wine-producing Clare Valley. Annual production is about 100,000 cases.

Currently, about 10 percent of Kilikanoon's total production is sold to China.

End to smartphone growth momentum

The growth momentum of the world's largest smartphone market has come to an end, with China's smartphone shipments suffering a

4 percent decline year-on-year in 2017, marking the country's first-ever annual decline in the field.

According to research firm Canalys, shipments dropped to 459 million handsets last year, a decline that it noted was "faster than expected". Experts said the fall was partly due to one of the country's worst year-on-year performances in the fourth quarter, with shipments plummeting by over 14 percent to fewer than 113 million smartphones.

Despite the overall market dip, Huawei saw its best-ever quarter at home, reporting a 9 percent rise to more than 24 million handsets shipped in the fourth quarter.

US firms upbeat on prospects in China

Companies from the United States doing business in China are becoming more optimistic about China-US business ties despite the possibility of restrictive trade actions from the Trump administration, a new survey said on Jan 30.

According to the 2018 China Business Climate Survey Report from the American Chamber of Commerce in China, about 36 percent of the respondents believe relations between the two countries will improve this year - compared with 17 percent in 2017 - possibly influenced by the perceived success of US President Donald Trump's visit to China and President Xi Jinping's earlier trip to the US.

The chamber's member companies expect specific reforms including greater access to officials and consistent implementation of national policies at the local level to be further enhanced this year.

Quotable

"We want to associate chocolate with clear occasions and moments in China."

THOMAS DELABRIERE,

vice-president of Mars Wrigley Confectionery China. The United States chocolate giant wants to link its Snickers brand to occasions such as exams, sports and travel.

"While deals are down by both value and volume compared to a bumper 2016, the trend is still strongly upward on a five-year view."

WEI GUO,

China transaction services partner at PwC. A report from the global accounting firm said China's outbound mergers and acquisitions will rebound this year, thanks to more clarity on relevant policies and a stronger yuan.

"I want my researchers to think about the next three to five years and come up with things that Chinese need today, at the right price and with the right features."



SHANE TEDJARATI,

president for Global High Growth Regions at Honeywell International. The US-based manufacturing and technology conglomerate has about 13,000 employees in China, including more than 2,600 researchers.