

CHINA IN TOUCH



An ACBC Northern Territory Newsletter

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NT President's observations

Railways opened the West in America and these twin ribbons of steel were essential in developing the economic growth of Asia and Africa. In China bond issue after bond issue was raised at the turn of the twentieth century to finance railway construction. Despite the naysayers, the completion of the North South railway to Darwin has opened up many new business opportunities and improved the NT economy.

Then rail went out of fashion as air traffic grew and larger and larger lorries carried goods on an expanding network of cheaper to build roads. Instead of laying new rail, some countries ripped out railway lines. Others, like China, expanded their rail networks and this decision has paid off.

Two weeks ago China started its new second generation high speed rail service between Beijing and Shanghai. Called the Fuxing – rejuvenation – it travels at a steady 350 km per hour. This is more than 50 Km per hour faster than the high speed train I travelled on three weeks ago between Xi'an and Beijing. Its faster than the Tianjin Beijing train but it travels with the same smooth and soundless efficiency.

Its so smooth, so soundless, so unexceptional that it quickly becomes just another train journey so it's easy to forget that it takes just four and a half hours at a cost of around SGD \$100 for the equivalent of an economy airline seat. The time taken on the train is now about the same time as a flight after taking into account the increasingly slow security check-in process at any airport.

With China airports continuing to hold the world record for the number of delayed flights, the high speed train service, which consistently operates on time every time, is posing a real challenge to the airlines. China has more than 22,000 km of high-speed rail track which is almost two thirds of the world's total. Its exporting this technology and infrastructure build knowhow to Eastern Europe, to south-east Asia and Indonesia as part of the One Belt One Road initiatives.

Passenger convenience is the headline but its the logistical convenience that is the real story of modern rail. The World Bank estimates that this network in China has halved the so-called "economic distance" in the Pearl River Delta and increased business productivity by about 10%. Similar efficiencies are likely to have been achieved around the Yangtze River Delta outside Shanghai and the Bohai Bay area in Chinas north.

Rail hub concepts lead to the development of inland ports in places like Wuhan and Xi'an. Passengers get a glimpse of the size and scale as their passenger train passes through these stations. Airplane passengers get a better idea if they look down at the marshalling yards and network of rail lines as they pass over them at 30,000 feet.

This logistics expansion has allowed factories surrounding the three key economic regions to move further out. The result is the growth of satellite cities which are often less than an hour by fast rail from the regional capital but where property prices are cheaper. This is where Chinese property developers continue to make money.

The extension of this network along the tendrils of the new silk road face one slowdown obstacle – the skein of cross-border regulations that hinder the transit of goods trains. Removing these barriers is one of the key objectives of the Belt and Road Initiatives. High speed rail is not just a convenience for passengers. High speed rail speeds up business development.

The completion of a (slow speed) rail line from Tenant Creek to Mt Isa is one of the infrastructure projects on the Develop the North agenda. It's a project that is compatible with the Belt and Road Initiative. Its one of the items for discussion at the 2018 One Belt One Road conference in Darwin.

Daryl Guppy,
President, NT Branch ,
Newsletter editor

NT CHINA ENGAGEMENT IS DIVERSE

The recent networking evening co hosted by ACBC NT Branch and Confucius Institute was a great success with 80 guests in attendance. Guest Speakers included Deputy Vice Chancellor - International Andrew Everett, Professor Martin Jarvis OAM, Director Confucius Institute, Associate Professor Hua Wang Chinese Director of Confucius Institute, ACBC NT President Daryl Guppy and from the Department of Asian Engagement, Trade and Investment, Chris Mouat.

Daryl Guppy, ACBC NT President highlighted the impact of the New Silk Road policy on the way NT businesses engage with China. This is particularly around the growth of different types of e-commerce. He explained the need for the NT to go the China to develop business relationships because Chinese delegations do not choose Darwin as a high priority destination. This is the reason NT ACBC is hosting a One Belt One Road conference in Darwin in 2018 so we can develop a better understanding of the opportunities for NT business in China.



Andrew Everett, the newly appointed Deputy Vice Chancellor, International reinforced the importance of China engagement to CDU's future having recently returned from a tour of the region.

Professor Jarvis spoke about the history of the Confucius Institute in the NT and the fact that it is an integral part of growing positive relations with China. The Institute currently delivers Mandarin Language instruction to over 1200 students in the NT and has recently been accredited as an official HSK-rated examiner by the Confucius Institute's Beijing headquarters in Hanban. This will make it easier for thousands of NT-based students into the future to have their language training recognised.



Professor Wang, having recently returned from China discussed the strong partnership with institutes and universities in China including Anhui and Hainan. He also introduced the teachers from

the Confucius Institute and encouraged businesses to consider engaging with CDU Confucius Institute.



Chris Mouat reiterated the NT Government's commitment to developing business relationships and transactions with China independently and in conjunction with the SA Government with a focus on Shandong region. Chris also discussed the support provided to business led delegations to all regions of China and encouraged businesses to make contact with the department to learn about the support provided via the Trade Support Scheme.



One of the highlights of the evening was hearing from local operators who are undertaking 'China Ready' activities namely Palms City Resort Hotel. Whilst they haven't seen a dramatic increase yet in Chinese guests, they are much more prepared than when they were at the beginning of this year. Welcome packs with slippers, green tea and toothbrushes along with a Mandarin speaking staff member will contribute to their competitiveness in the city hotel marketplace.

Julie Inglis from Learning Potential International also shared some of their recent travel into China to expand their study tour business and highlighted the support from both ACBC and NTG as being of great assistance.

Harley Paroulakis CEO Paspalis and Darwin Innovation Hub shared an update on the incubation hub in the CBD and potential collaboration with an incubation hub in Jinan. It was great to hear about Taminmin College's upcoming exchange during the networking drinks.

One of the benefits observed from the evening was getting a diverse group of people together to share projects they are working on or have recently been involved with both in private and public sector.

Keep engaged by joining ACBC – why not come along to our next meeting on October 18.

From Megan Holzfeind



CHINESE TOURISM GROWTH

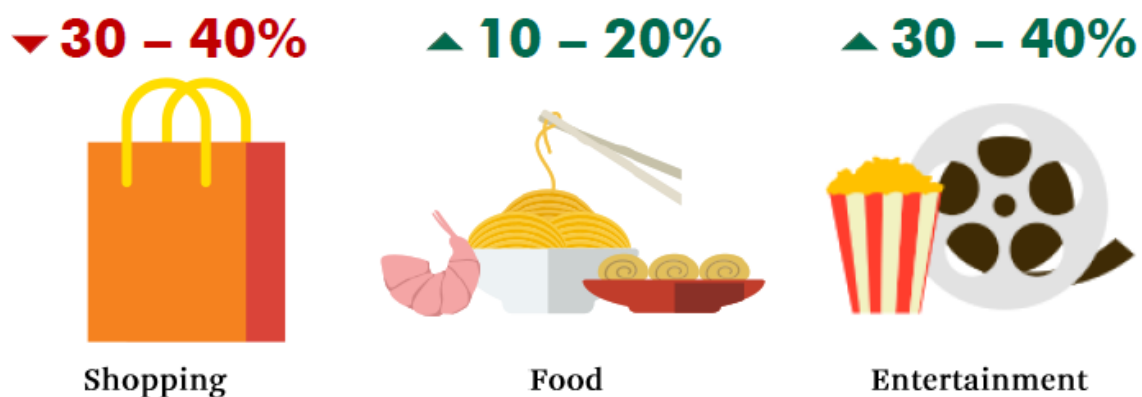
More than 135 million Chinese took overseas holidays in 2016, accounting for 11% of total international tourist traffic. Of every US\$5 spent by international tourists, US\$1 is spent by Chinese travelers.

While Chinese tourists have traditionally been known as keen shoppers, recent research has found they are opting to spend more on food and entertainment.

The shift away from spending on luxury and other consumer goods and towards culture and experience-based retail has significant implications for the retail sector - particularly countries that are popular destinations for Chinese travellers - which has been transformed by Chinese tourism over the past decade.

This ViewPoint by CBRE Research explains the reasons behind Chinese tourists' changing spending habits and identifies appropriate ways in which retail occupiers and landlords can respond so that they may continue to capture this key market demographic.

Figure 1: Chinese tourists' spending 2013 vs 2017



Source: FT Confidential Research China Outbound Tourism Survey 2017

HOW CAN RETAILERS AND LANDLORDS RESPOND?

The report discusses 5 ways.

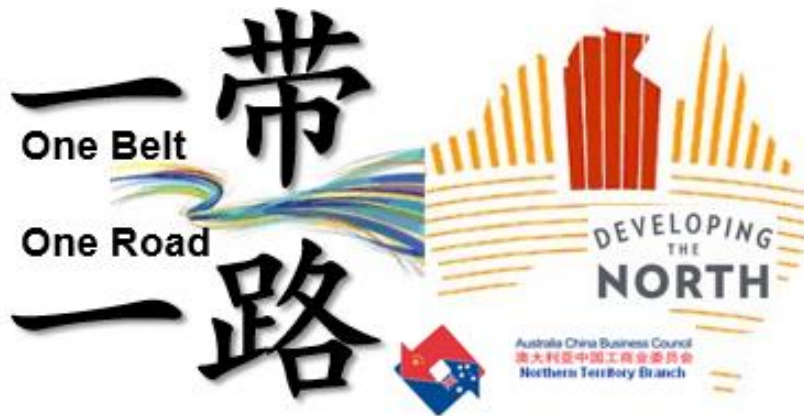
- Provide an authentic local experience
- Improve dining options
- Offer unique products
- Introduce click-and-collect services
- Strengthen presence at airports

To request a full copy of the report please email at acbcnt@acbc.com.au

ONE BELT ONE ROAD IN AUSTRALIA

Everything you need to know

June 26,27,28, 2018, Darwin NT



KEEP THESE DATES FREE

DAY 1 9.00 to 4.30

PLENARY SESSION BELT AND ROAD INITIATIVE EXPLANATION

What is the Belt and Road Initiative? Threat or opportunity Overview Chinese and Western perspectives

BRI TRADE COMPONENTS

BRI Infrastructure elements

BRI Finance - investment structure, capital movements, AIIB, Silk Road Fund

BRI digital silk road structure/ regulation

NT PROJECT STRATEGY AND DEVELOP NORTH BRI COMPATIBILITY

Develop North policy outline

Project success, progress Landbridge Shanghai Zhong Fu

Chinese investment attraction conditions

DAY 2 9.00 to 4.30

TEAM NT - PROJECT SPECIFIC PLENARY

Structuring investment proposals for BRI compatibility. Chinese and Western perspectives. How to prepare

Breakout 1 Agriculture

Breakout 2 Infrastructure including tourism

Breakout 3 Resources

Breakout 4 Department of business

Breakout 5 Education

PLENARY

Conclusion and summary

DAY 3 8.00 to 5.00

SITE AND PROJECT VISITS

INVITED SPEAKERS INCLUDE

Geoff Raby – former Australian Ambassador to China

Zhiqin Liu – Director, Belt and Road Think Tank, Renmin University, Beijing

John Brumby – CEO, Australia China Business Council

PROPOSED NT BRANCH CHINA BUSINESS BRIEFINGS 2017

The Business Briefings will start again in 2017 and be provided free of charge for members only. Visitors are welcome to attend, but a small \$20 fee is payable. (Free if you join ACBC at the briefing) . Briefings run for about 60 minutes. Business Briefing sponsorship options are also available.

Proposed briefing events include:

XMAS NETWORKING DINNER – Details coming soon.

For more information, or requests for specific briefing topics, please contact ACBC Secretariat on 89270061 or acbcnt@acbc.com.au

GOT A CHINA STORY TO TELL? READ A GOOD CHINA BOOK - SEND US YOUR NEWS OR VIEWS

You are a valued member of the Australia China Business Council and we are keen to receive news on your business activities that we can published on our national website or in our NT newsletters. Do you have an amusing, or interesting or cautionary tale. Drop us a note for the newsletter. Send us a email at acbcnt@acbc.com.au

WHY THE INDUSTRY EXPO LIST?

China research shows that expos play a much larger role in customer research than they do in Australia. This is where visitors go to discover new products, and to investigate business opportunities. Gone are the days when Chinese investors and business came to you. Now you need to lift your business profile in China if you want to grab a slice of this activity. Participation in exhibition events is an effective way to promote your services and identify business opportunities.

OCTOBER 2017

SBW Expo 2017 - 10th China International High-end Drinking Water Industry Expo Chengdu 2017

[Visitor Pre-registration](#)

VENUE: Century City New International Convention & Exhibition Center (CCNICEC)
[Location & Details of Century City New International Convention & Exhibition Center \(CCNICEC\)](#)
VENUE ADDRESS: No.198, New Century Road, Chengdu, Sichuan, China

Canton Fair 2017 (October, Autumn) - The 122nd China Import and Export Fair 2017

[Visitor Pre-registration](#)

VENUE: China Import and Export Fair Pazhou Complex, Guangzhou
[Location & Details of China Import and Export Fair Pazhou Complex, Guangzhou](#)
VENUE ADDRESS: No.380, Yuejiang Zhong Road, Guangzhou, China

NOVEMBER 2017

AGHC 2017 - BIT's 5th Annual Global Health Conference 2017

[Visitor Pre-registration](#)

VENUE: China Taiyuan Coal Transaction Center
[Location & Details of China Taiyuan Coal Transaction Center](#)
VENUE ADDRESS: No. 6 Changfeng West Street, Taiyuan, Shanxi Province, P. R. China
ORGANIZER: BIT Congress Inc.

VENUE: Qingdao International Exposition Center (QDIEC)
[Location & Details of Qingdao International Exposition Center \(QDIEC\)](#)
VENUE ADDRESS: No.7-1, No.2 Road, Wenquan Town, Jimo, Qingdao, Shandong, China
ORGANIZER: Sea Fare Expositions. Inc.

NT ACBC Branch Meeting Dates – 2017

Meetings are open to all members of the ACBC, not just the committee members. Most matters discussed at the meeting are passed by general agreement. All members are encouraged to contribute ideas to the discussions.

Current proposed meeting dates are:

October 18 Wednesday AGM

November 15 Wednesday

December 13 Wednesday

2016-2017 NT ACBC Executive

Daryl Guppy - Guppytraders.com (**President / National Board Member**) China@guppytraders.com

Kelvin Keung – Homebuild NT (**Vice President**) kelvin@homebuildnt.com.au

Lisa Goodhand – Wildman Wilderness Resort (**Vice President**) lisa@chinablueprint.Com.au

Myriam Giovanazzi - (**Treasurer**) Myriam.Giovanazzi@colliers.com

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Joseph Aladin - Deloitte Touche Tohmatsu jaladin@deloitte.com.au

Ex-Officio members

Wayne Fan – Department of Business

Cecilia Brennan - Dept. of Foreign Affairs and Trade

Austrade - Martin Ferreyra

NT Tourism – Daryl Hudson

Lisa O'Donoghue – South Australia Liaison

ACBC NT OBJECTIVES

We aim for these services for ACBC NT members:

- To assist members to understand the nature of the business environment in China and where relevant opportunities lie.
- To raise the profile of ACBC NT members within the NT and Chinese business environment
- To share information regarding industry issues in the China market.
- To assist in generating business between member businesses.
- To facilitate co-operation with the China Council for the Promotion of International Trade in relation to business issues.
- To present the views of NT SMEs operating in China to government authorities and other business groups where appropriate.
- To share market and economic intelligence and insights on critical industry issues.
- To create and maintain a collaborative community of business owners that can draw on each other for support in their engagement with China.
- To work in a collaborative community of Chinese business, cultural and friendship organisations to expand the networking capacity of NT members.

These objectives are achieved with networking events, workshops, conferences, briefing, newsletter communication and participation in creation of NT and national Government strategies.

ACBC NT WELCOMES NEW AND CONTINUING MEMBERS

Have your member business profile included in the newsletter. Send details to acbcnt@acbc.com.au

China News reports that did not make it into the local media.

China's cashless economy continues to grow

More transactions went cashless in China in the second quarter, Caixin reports. From April through June, 949.82 trillion yuan (\$145.2 trillion) worth of transactions were settled without cash changing hands, up 1.02% from the same period in 2016, the central bank data show. But the volume of cashless payments rose more sharply, up 32.3% from a year ago to 36.90 billion transactions. More than 39.42 trillion yuan was paid via mobile devices in the second quarter, up 33.84% from a year ago, the central bank said. Of that amount, 31.49 trillion yuan was spent using smartphones to scan QR codes to make payments via non-bank channels, or so-called third-party payment service providers. Such third-party payments were up 34.9 % from the same period last year and have seen an explosive growth in China. The central bank's clearance system settled 2 billion cross-bank online payment transactions in the second quarter, a year-on-year growth of 93.8% year-on-year.

China postpones e-commerce import taxes again

China has postponed stricter taxation on imported consumer goods bought online for another year – to the end of 2018 – in order to encourage consumption, the Ministry of Commerce said on Thursday. The State Council on Wednesday decided to hold off on enacting the new tax regime designed to "regulate" foreign products purchased through cross-border e-commerce platforms, Caixin reports. The plan, which was first announced in April 2016, would make it tougher for people to avoid paying taxes – or obtain relatively low tax rates – on many consumer items such as healthcare products and cosmetics. The new tax regime was already postponed once before. In late 2016, the government announced that it would postpone enacting the rules until the end of 2017. Ministry of Commerce Spokesman Gao Feng said on Thursday that the decision was based on the fact that e-commerce imports have boosted supply and consumption in the domestic market.

China stops new projects in pollution 'red zones'

China will halt major projects in regions with high levels of pollution, the official Xinhua news agency reported late on Wednesday, underscoring an environmental crackdown that is starting to hit business around the country. Chinese authorities will roll out a new pollution alert system for regions ranging from the cleanest "green non-alert zones" to the most severe "red" zones, where the environment and natural resources are severely strained. "For red-alert areas, government authorities will stop granting approval on relevant projects," Xinhua reported, citing a document from the ruling State Council, China's cabinet. "(Meanwhile), enterprises causing severe environmental and resource destruction will face punishment, including fines, production restrictions and shutdowns." Regions will also be categorized as "overloading," "near overloading" or "not overloading," depending on the level of strain on their environmental and resource capacity. According to Reuters, China's war on pollution has ramped up steeply this year, rattling the country's ports, commodities markets and factories across the country's smog-affected north.

Jack Ma says stop looking for manufacturing jobs

Alibaba Chairman Jack Ma said people should stop looking to manufacturing to drive economic growth. Ma called on leaders to embrace the promise of advances like artificial intelligence to span whole new industries, Bloomberg reports. "Two hundred years ago when the steam machine came, people started thinking the steam machine is going to take a lot of jobs," Ma said, speaking at the Bloomberg Global Business Forum in New York. "Because of artificial intelligence, because of the robots, manufacturing is no longer the main engine for jobs." Instead, small businesses using the internet to extend their markets will lead economic growth this century, Ma said. The message ties neatly into Alibaba's business plan, which hinges on making the Chinese company the go-to online marketplace for entrepreneurs. Ma's million-job plan for the US centers around helping small businesses navigate and sell into the Chinese market, where Alibaba says it has already contributed to the creation of 30 million jobs.

China forms government-backed blockchain lab

The China Academy of Information and Communications Technology (CAICT), a research institution under the Ministry of Industry and Information Technology, on Tuesday launched the Trusted Blockchain Open Lab, the first government-led initiative to support blockchain technology development. CAICT said it is also preparing a platform on which blockchain firms and experts will work together to advance the application of the technology, Caixin reports. China became the first country to ban fundraising through cryptocurrencies built on blockchain technology when it deemed the practice illegal in early September. All major Chinese bitcoin exchanges are slated to close by Oct. 31 at the latest, with most shutting down by the end of this month. The new technology's complexity and ability to cross sectors have spawned illegal activities, Di Gang, vice director the central bank's digital currency research institute, said at a blockchain conference on Tuesday. "There have been many blockchain conferences where the number of business personnel exceeds technical personnel," he said.

For more China business news and information, visit www.chinaeconomicreview.com



AUSTRALIA CHINA FRIENDSHIP SOCIETY

The Darwin branch of the ACFS is a co-operative partner with ACBC NT. ACBC NT members are encouraged to attend ACFS events.

ACFS has completed their first News Letter, a website and facebook. The web address is: www.acfsnt.org.au The facebook address is <https://www.facebook.com/acfs.nt>

UPDATED CHINA RESOURCES FOR NT MEMBERS

ACBC NT has an updated list of China resources available for NT members. This includes translators, interpreters, graphic artists and design teams. Some are based in Darwin and some in China. Please contact ACBC Secretariat on 89270061 or abcnt@acbc.com.au for details



FORWARD THE NEWSLETTER TO A FRIEND

NEWSLETTER CONTRIBUTIONS ARE WELCOME. Keep other members informed about China experiences. Please email notes or comments to china@guppytraders.com. Please use email header **ACBC NOTE**. Information received up to the day prior to publication will be included.

NOTE. The views of contributors are their own and do not necessarily reflect the views of the ACBC NT or the ACBC. Content is copyright and cannot be used without permission



Australia China Business Council
 澳大利亚中国工商业委员会

Northern Territory

MEMBERSHIP APPLICATION

Please complete this Membership Form with your details if you are applying to join the Australia China Business Council for the first time.

BASIC DETAILS

Company Name	
Company name in Chinese	
Industry sector	
Branch membership	NT Branch
Member Type - This is based on the annual turnover (See page 2 for details).	
Company email address	
Company web site http://	
Date of application	

PERSONAL DETAILS

Title	
First name	

	Last name	
	Job title	
	Personal email address	
CONTACT DETAILS		
	Company phone	
	Company fax	
	Direct phone	
	Direct fax	
	Mobile phone	
LOCATION DETAILS		
	Street address	
	City	
	State	Northern Territory
	Post code	
	Postal address	
Please cross out if you do not want your contact details to be given to third parties who issue event invitations to ACBC members		I agree to be included in all associated ACBC and appropriate third party event notifications
	Country	Australia
PAYMENT METHOD		
	Cheque	Please post to: GPO Box 2769, Darwin NT 0801
	Cash Deposit	ANZ Darwin, BSB: 015901, A/C: 487 379 699
	Credit Card	Card type / VISA / Mastercard
	Card number	
	Name on card	
	Expiry date	CCV#
	Amount paid (See member type)	\$

PLEASE RETURN COMPLETED FORM TO ACBC NT GPO BOX 2769, Darwin NT 0801

Or Email: acbcnt@acbc.com.au

Membership	TOTAL
NT Government Departments	1024.87
Companies	
Annual turnover:	
More than \$ 50 million *	3492.50
\$ 15 million to \$ 50 million	1831.50
\$ 5 million to \$ 15 million	1024.87
Less than \$ 5 million	532.40
Individual membership	532.40
Associate membership ** (non-voting)	169.40
Student member (non-voting)	88.00