

# CHINA IN TOUCH



An ACBC Northern Territory Newsletter

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## NT President's observations

Anyone who doubted the commitment to and the longevity of the New Silk Road policy has those doubts removed with China President Xi's remarks to the CPCCC meeting. This is not a rhetorical centrepiece of his policy. It is a genuine cornerstone of his vision for China's future involvement with the world.

Despite this, there are some who see the New Silk Road policy as a set of empty commitments which have already lost steam. As a recent ANZ report noted, there are five myths, or misconceptions that surround this policy.

The first myth is that progress on the Belt and Road Initiative (BRI) has stalled or slowed down. To date the Asia Infrastructure Investment Bank has approved 18 infrastructure projects. Committed funding is around USD 3 billion. The Silk Road Fund has approved 15 projects with a total funding of around USD 6 billion. An additional USD 2 billion has been allocated to co-operation with Kazakhstan.

These are just the large scale headline figures. There are countless BRI projects at regional and provincial level.

The second myth is that BRI is all about infrastructure. BRI encompasses a much wider range of trade and economic development. This includes trade, financial cooperation, policy and regulatory coordination along with increased cultural and tourism exchanges. There are a multitude of business opportunities.

The third myth is that BRI is used to challenge regional trade pacts like the now defunct TPP. It's true that the collapse of the TPP has made BRI more attractive but BRI complements regional free trade pacts and helps to make these more effective. This reduction of real, regulatory and behind the border barriers is one of the key BRI objectives. China is now the world champion of free trade and BRI is the flagship for this.

The fourth myth is that China is using BRI to export its excess industrial capacity. China will use BRI to increase exports but these projects also offer the opportunity for other businesses to do the same. This is no different to the outcome that the Obama administration expected from the TPP. BRI is not primarily a substitute export market. This complex of policies is a coordinated response to China's growing influence within the global economy.

The fifth myth is that there are few opportunities for non-BRI countries. China has made it clear that BRI is an open ended policy and that all countries are invited to participate. It has grown beyond the more narrow confines of the original New Silk Road concept. The BRI is a strategic concept, not a trade pact.

Countries not directly signed up for BRI can participate via investment in BRI projects, the provision of expertise and services. These opportunities include technology, consultancy services, financial services and supply chain integration.

The challenge for business and Government is not only to avoid believing these myths, but to develop effective methods to engage with and manage BRI involvement. This is where the future investment opportunities lie.

The One Belt One Road Conference in Darwin in June 2018 is designed to provide real answers and solutions to these questions.

Daryl Guppy,  
President, NT Branch,  
Newsletter editor

## PLAYING WITH CHINA FIGURES

Misinformation about the Chinese continues. Last week, huge news headlines shouted that offshore Chinese investors are 'snapping up' 26% of new properties in NSW, 17% in Vic and 8% in Brisbane.

This is the first wrong. The stories were based on Credit Suisse's 'freedom of information' request from state government revenue offices for the financial year 2016/2017. But foreign investors in off-the-plan (OTP) NSW apartments could delay paying their stamp duty by 12 months. (This benefit ended 21 June 2016 in the NSW Budget).

So investors who bought from July 2015 to 21 June 2016 would be paying their stamp duty in the 2016/2017 year (to take advantage of the 12-month delay before their eventual settlement 2-3 years down the track). PLUS the investors who bought in 2016/2017 now don't have that 12-month delay ...so their stamp duty would be also paid\*\* in 2016/2017.

This means the stamp duty collected from foreign investors in 2016/2017 was based on two years collections....the 'boom' years of 2015/2016 and the 2016/2017 year.

So those Credit Suisse percentages are incorrect, and are more than double what is really happening. The reality is that offshore buying has slowed significantly, particularly in the past nine months.

Wrong number 2

Last month, news headlines screamed that 25% of offshore Chinese investors left their apartments vacant and another 25% used their apartments on a temporary basis (eg holiday house) so it was mostly vacant, according to a UBS survey.

It took a Fairfax reporter Jennifer Duke to point out that 'data' relating to Australia was based on survey of just 50 Chinese investors with property in Sydney and Melbourne, and the UBS report itself noted that the numbers in various cities were 'not statistically significant'. A UBS executive told Duke that the "sample size is too small to draw conclusions down to a specific country level". (there's been nearly 100,000 FIRB property approvals in the seven years to June 2016 as a comparison, so 50 is really insignificant as a survey)

Normally, I like misinformed news. It gives an investor an edge when other punters out there rely on the wrong information (for every buyer there needs to be a seller with a differing opinion). But in this case, when social considerations are more important than economics (we are talking about homes people live in, affordability, community harmony and political relations between Australia and China), misinformation takes on a much bigger and more sensitive political and social hue.

From David KO Chin, Managing Director, Basis Point

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## ONE BELT ONE ROAD IN AUSTRALIA

### Everything you need to know

June 26,27,28, 2018, Darwin NT



**KEEP THESE DATES FREE**

We are developing a great line-up of speakers from China and Australia

## CHINA REGIONS GUIDE - Yun Nan 云南

Yunnan is a sub-tropical jungle province that is very similar to the geography in Laos and Cambodia. Its varied geographic and environmental features make this a tourist destination. It also has good deposits of minerals and these are being developed. The capital, Kunming, is the China terminus of the Burma Road built during World War II and used to supply Chinese forces fighting the Japanese. This was also the forward base for the American pilots in the Flying Tigers who flew for the Chinese forces against the Japanese. The Tigers' shark-faced fighters remain among the most recognizable of any individual combat aircraft of World War II. Yunnan Pu-er tea has a good reputation. These notes are designed to give you more starter points so you can talk to guests from Yunnan about the distinctive features of the province. This series is designed to give some basic background information on some of the provinces and cities in China. It's not an exhaustive list but a starting point for conversation.



Map from [www.wikipedia.org](http://www.wikipedia.org)

### General background

This literally means south of the clouds. The province connects Tibet with the upper end of south east Asia. This is a very diverse geography and has diverse landscapes, animals and ethnic people. Much of the area is indistinguishable from the behavior and characteristics we associate with South East Asia in Cambodia, Laos and Vietnam. Almost half the people are not Han Chinese.

Most of the border is with Myanmar. Jade is found in this region. The snow topped mountains in the north West drop into the jungles of Laos and Vietnam. There are karst limestone landscapes, active volcanoes and pristine rivers. Yunnan is situated in a mountainous area, with high elevations in the northwest and low elevations in the southeast. Most of the population lives in the eastern part of the province. Yunnan is rich in natural resources and has the largest diversity of plant life in China. Of the approximately 30,000 species of higher plants in China, Yunnan has over 17,000.

### History

The Yuanmou Man, a Homo erectus fossil unearthed by railway engineers in the 1960s, has been determined to be the oldest known hominid fossil in China.

Around the third century BC, the central area of Yunnan around present day Kunming was known as Dian. The Chu general Zhuang Qiao entered the region from the upper Yangtze River and set himself up as "King of Dian". He and his followers brought into Yunnan an influx of Chinese influence, the start of a long history of migration and cultural expansion.

In 738, the kingdom of Nanzhao was established in Yunnan by Piluoge who was confirmed by the imperial court of the Tang Dynasty as king of Yunnan. Ruling from Dali, the thirteen kings of Nanzhao ruled over more than two centuries and played a part in the dynamic relationship between China and Tibet.

Yunnan was transformed enormously by the events of the war against Japan, which caused many east coast refugees and industrial establishments to relocate to the province. It assumed great strategic significance, particularly as the Burma Road was constructed from Kunming to Lashio in Burma during this time.

Kunming was the base for the Flying Tigers. The Tigers' shark-faced fighters remain among the most recognizable of any individual combat aircraft of World War II. Flying Tigers was the popular name of the 1st American Volunteer Group (AVG) of the Chinese Air Force in 1941-1942. The members of the Flying Tigers had lucrative contracts with the Chinese government with salaries three times what they had been making in the U.S. forces.

## Industry

Yunnan's reserves of aluminum, lead, zinc and tin are the largest in China, and there are also major reserves of copper and nickel. Yunnan has over 600 rivers and lakes, which provide an annual water supply of 222 billion cubic meters. Projected hydropower reserves stand at 103 GW, with an exploitable capacity of 90 GW.

Yunnan is relatively undeveloped with more poverty-stricken counties than the other provinces. In 1994, about 7 million people lived below the poverty line of less than an annual average income of 300 yuan per capita. The poverty alleviation plan includes five large projects aimed at improving infrastructure facilities. They involve planned attempts at soil improvement, water conservation, electric power, roads, and "green belt" building.

Yunnan's four pillar industries include tobacco, agriculture/biology, mining, and tourism. The main manufacturing industries are iron and steel production and copper-smelting, commercial vehicles, chemicals, fertilizers, textiles, and optical instruments.

Yunnan is one of the major production bases of copper, lead, zinc, tin and aluminum in China. Significant copper deposits are found at Dongchuan, iron ore at Wuding, and coal at Xuanwei and Kaiyuan. Economic policy to locate new industry in interior areas with substantial mineral wealth, led to major industrial development in Yunnan, especially in the Kunming area.

The electricity industry is another important economic pillar of Yunnan, which plays a key role in the "West-East Electricity Transmission Project". The electricity produced in Yunnan is mainly transported to Guangdong Province.

## Food

Yunnan Cuisine, often referred to as Dian Cuisine, has its own unique style because of its geographic location, diverse local plant and animal species and numerous ethnic minority groups. Many ethnic minority groups are located in Yunnan Province and they have each added their own cooking styles to Yunnan Cuisine, making it a beautiful mix of many different styles of cooking and preparation styles. The characteristics of Yunnan cuisine are a moderate balance of sour and spicy, tender and sweet. Yunnan Cuisine strives to keep the original taste of each of its ingredients.

Typical dishes include:

**Steamed-pot Chicken:**

Yunnan's Steamed-pot Chicken is unique for its steaming pot, which was invented by Yunnan residents. The dish became famous during the Qing Dynasty (1644-1911). Emperor Qianlong on his tour of Yunnan tasted the dish and spoke highly of it. The chicken is boiled in the special steaming pot which has an opening in the centre. Rare medicinal herbs native to Yunnan are added to the pot.

**Bridge-crossing Rice Noodles**

This specialty of Yunnan Province. There are many legends about how this dish got its name, but the most common states that a man in ancient China was imprisoned for a crime he did not commit. His wife brought him dinner every night by crossing a long bridge. By the time the food got to her husband it was cold, so the wife devised a new dish that used a fat chicken, so the oil in broth would coat the noodles, keeping them warm. The dish caught on and it got the name Bridge-crossing Noodles because in honour of the dutiful wife. The dish is essentially a rich soup made of meat, with rice noodles, and spices. After the broth is prepared, rice noodles are added to the bowl, followed by vegetables, chili oil, ground peppers, sesame oil, and salt.

**Xuanwei Ham:**

Also known as Cloud Ham, Xuanwei Ham is one China's three most famous ham dishes. It is known for its fragrance, appearance, and fantastic taste. The ham is slightly salty and sweet, without an oily taste.

**Mushrooms:**

Yunnan is home to many species of edible mushrooms such as cow liver mushroom, and monkey head mushrooms. Each type has a unique taste and is extremely nutritious. Mushrooms are a favorite of Yunnan locals. Visitors to Yunnan should try the local mushroom hotpot.

## Attractions

With its beautiful landscapes, mild climate and colorful ethnic minorities, Yunnan is one of China's major tourist destinations. Most visitors are Chinese tourists, although trips to Yunnan are organized by an increasing number of foreign travel agencies as well.

In 2004, tourism revenues amounted to 37 billion RMB, and thus accounting for 12, 6% of the provincial GDP. Tourist sites in Yunnan include:

- Dali, the historic center of the Nanzhao and Dali kingdoms.
- Chuxiong, the first stop on the way to Dali and Lijiang. Home of the Yi ethnic minority and their respective ancient town.
- Jinghong, the center and prefectural capital of the Xishuangbanna Dai minority autonomous prefecture.
- Lijiang, a Naxi minority city. It has been a UNESCO World Heritage Site since 1997.

- Shangri-La County (formerly Zhongdian), an ethnic Tibetan township and county set high in Yunnan's north-western mountains.
- Shilin (Stone Forest), a series of karst outcrops east of Kunming.
- Yuanyang, a Hani minority settlement with vast rice-terraces.
- Xishuangbanna, a national scenic resort, famous for its natural and cultural attractions.

### Capital city – Kunming

Population around 2 million. This is known as “spring city” because the climate is cool all year. It is a key city in the proposed ASEAN Free Trade zone. The city is linked by highways and railways to Singapore via Vietnam, Thailand and Malaysia. Because Yunnan was a refugee centre during the Japanese invasion, it is now home to several highly respected universities. This is a pleasant city, with good climate and clean air.

### Weather

July/August 17 to 24. Jan/Feb 2 to 17

### Additional Resources

<http://www.yn.gov.cn/yunnanEnglish/144115188075855872/index.html>

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## 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](mailto:acbcnt@acbc.com.au)

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## 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 publish 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](mailto:acbcnt@acbc.com.au)

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## 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.

## 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.

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## NT ACBC Branch Meeting Dates – 2017 NEW MEETING TIMES

General meetings will now be 9am to 10 am.

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:

November 15 Wednesday

December 13 Wednesday

### 2017-2018 NT ACBC Executive

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

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Martin Kelly – Finlaysons [Martin.Kelly@finlaysons.com.au](mailto:Martin.Kelly@finlaysons.com.au)

### Ex-Officio members

Wayne Fan – Department of Business

Cecila Brennan - Dept. of Foreign Affairs and Trade

Austrade - Martin Ferreyra

NT Tourism – Daryl Hudson

Lisa O'Donoghue – South Australia Liaison

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## 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.

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## ACBC NT WELCOMES NEW AND CONTINUING MEMBERS

**Deloitte Private Darwin  
Darwin Innovation Hub  
Australia Asia International Consultants Pty Ltd  
Guppytraders**

Have your member business profile included in the newsletter. Send details to [acbcnt@acbc.com.au](mailto:acbcnt@acbc.com.au)

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## 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

For more China business news and information, visit [www.chinaeconomicreview.com](http://www.chinaeconomicreview.com)

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## 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](http://www.acfsnt.org.au) The facebook address is <https://www.facebook.com/acfs.nt>

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## 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 [acbcnt@acbc.com.au](mailto:acbcnt@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](mailto: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	<b>NT Branch</b>
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	<b>Northern Territory</b>
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	<b>Australia</b>

**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](mailto: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

<b>Individual membership</b>	532.40
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<b>Associate membership ** (non-voting)</b>	169.40
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<b>Student member (non-voting)</b>	88.00
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