

# CHINA IN TOUCH



An ACBC Northern Territory Newsletter

October 24 2018, Issue 239

NT secretariat (08) 89270061, GPO BOX 2769, Darwin NT 0801

## NT President's observations

Business Councils must show how China Belt and Road policy is compatible with national development policies and they must encourage Government and business to engage with the BRI policy. They must overcome the barriers to understanding. This was the focus of my discussion at the Belt and Road International Business Cooperation conference held in Zhangjiajie by the Silk Road Chamber of International Commerce.

This has become even more important as President Trump has increased his destruction of the global trading environment. This is a serious economic challenge but fortunately the Belt and Road Initiative provides an alternative structure that supports the WTO and other cross border trade processes. The first task as business organisations is to help members and Governments to understand the foundation of BRI so they can counter-balance the anti-trade narrative that comes from the United States and which is distorting good policy making in other economies.

The second task is to accurately recognise the barriers that are being created and work towards over turning these barriers by promoting policy discussion with business and Government leaders.

It is useful to remember that Belt and Road is a far more sophisticated policy framework than just roads and bridges and transport corridors. It is essential that we understand the trade Infrastructure, and the soft infrastructure aspects of Belt and Road. This includes the development of the regulatory environment with regulatory harmonisation, supporting the WTO processes and advancing trade settlement processes. It includes payments systems, standards and protocols in everything from 5G to blockchain certification.

There are three barriers that business chambers must recognise. The barriers are:

- 1) Tariffs and trade barriers. This includes the unilateral imposition of tariffs by the United States. It includes the US-led destruction of the global rules-based order by ignoring or undermining the operation of the World Trade Organisation. It also includes the use of third party penalties, such as when the US threatens actions against other countries for doing business that is inconsistent with US policy. This has impacted on European companies who, in compliance with UN agreements, have been doing business in Iran. It now includes the threat to new trade agreements that countries must not enter into trade agreements with China. This is direct US interference in domestic politics. Business organisations must convey the concerns of their members and develop political solutions.
- 2) The false use of security concerns and using these as a method of destroying business competition. These are attacks by Government on business and they are designed to protect domestic business. There is a trend towards using unexplained security concerns to frustrate investment and business. Chambers should not be afraid to use the financial media to highlight their members concerns about these bully tactics.
- 3) Processes and regulations that frustrate the smooth operation of cross-border trade. Members of business organisations must be encouraged to report the new regulations and the new paperwork delays so Chambers can present these in a coherent manner to policy makers. Chambers are the collective voice of their members.

The task of business organisations is to help their members overcome problems created by these barriers. But they also have a another important task. They must educate their members and Governments about the Belt and Road Initiative.

For example, in July the Australia China Business Council hosted a One Belt One Road conference in the Northern Territory of Australia,. Speakers discussed many different aspects of Belt and Road Initiative.

These are the two essential roles that Chambers and Business organisations must play in Belt and Road international cooperation. They must articulate the concerns of their members so the operation of Belt and Road is more efficient. They must also encourage Government and business to engage with and understand the BRI policy.

Daryl Guppy, President, NT Branch, Newsletter editor

**JOIN ACBC MEMBERS AND BUSINESS LEADERS TOMORROW,  
OCTOBER 24**



**Date** Wednesday 24 October 2018  
**Time** 12.00 pm – 2.00 pm (light lunch provided)  
**Event** Opportunities for the NT with the arrival of Donghai Airlines  
**Format** Panel Discussion with questions  
**Location** North Australian Development Office, Department of Trade, Business and Innovation, 76 The Esplanade, Darwin  
**Cost** ACBC Members - \$5, non-Members - \$10

**Direct flights from Darwin to China open up many opportunities for NT businesses. Join a high level panel as we explore opportunities in tourism, freight and more.**

[\*\*CLICK HERE TO BOOK NOW ON EVENT BRITE\*\*](#)

## **SILK ROAD CHAMBERS OF COMMERCE MEETING IN ZHANGJIAJIE**

The 2018 Silk Road Business Summit - Belt and Road International Business Cooperation conference was attended by 7 ambassadors and around 20 senior consular staff. This included consular representatives from Australia, United Kingdom, Korea and Japan. NT ACBC President Daryl Guppy was invited to speak and to chair a panel session.

The SRCIC has emerged as one of the leading and influential organisations dealing with Silk Road and BRI interaction with foreign countries. Over 500 delegates from more than 30 countries attended. Whether China is judged a threat or not, this conference underlined the need for the NT to develop a hedging strategy with its neighbours to ameliorate the impact of tariff and trade policy developments.



These issues emerged from this and other discussions.

- 1) Alarm at the provision of the poison pill in the US Canada trade agreement. This poison pill makes the trade agreement void if Canada enters into any trade agreement with China.
- 2) China's strong support for the WTO and the maintenance of an inclusive trading environment of multi-lateral agreements.
- 3) There is a sustained push from central Asian countries to export fresh food into China and this was highlighted in several presentations. This is particularly beef, lamb and wool. These have the potential to become serious competitors to Australian products. However they are at a disadvantage when addressing the demand for clean and green at the premium end of the market.

To counter this disadvantage there is much more focus of the use of blockchain technologies to provide proof of provenance and proof of non-tampered product.

- 4) The need for greater information around BRI, its programs and objectives. The NT was held up as an exemplar of this engagement.



At the conference Daryl Guppy was awarded the 2018 SRCIC Outstanding Contribution Award. The nomination was put forward during the 5th SRCIC Presidium Meeting held in Hongkong on August 31st, and was approved unanimously by the Executive Board of SRCIC.

“Mr. Guppy, you have been supportive to SRCIC's endeavors since our establishment. We are impressed by your commitment and dedication to promoting the Belt and Road Initiative, as well as the cooperation between China and Australia. The successful One Belt One Road Conference held in Darwin in July is a strong demonstration for this.”

From Daryl Guppy

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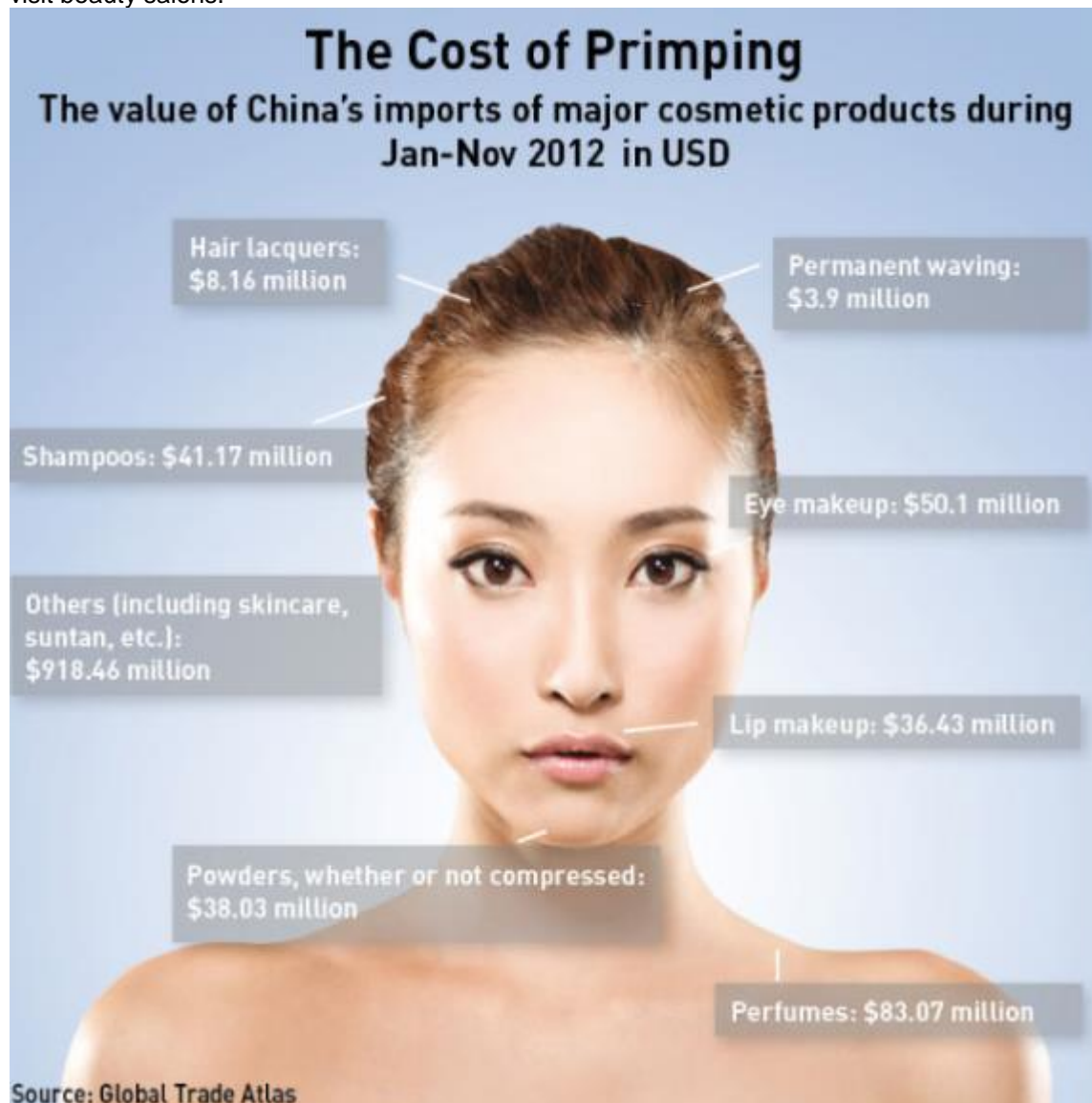
## THE BEAUTY INDUSTRY FOR CHINESE TOURISTS

Many Territorians travel to Bali with the intention of spending several days enmeshed in Bali spas and associated treatments. Chinese tourists are also looking for the same experience when they travel. Ivy Yang, founder of La Spa, shares some thoughts on the evolving Chinese beauty industry.

Yang believes that currently the most important thing for the everyday beauty sector to do is clearly define its market positioning. She explained that the sector should be looking to provide its customers with long-term care, saying: “The market positioning of everyday beauty is different to that of micro cosmetic surgery. Micro plastic surgery gives people better looks in a short time, whereas everyday beauty helps consumers keep their skin and maintain their body after obtaining good looks.” In Yang’s view, there are several ways in which the everyday beauty sector should look to develop in the future.

Firstly, it should move from concentrating on “face management” to “body management”. There is growing demand among consumers to improve the condition of their body, via methods such as acupuncture, balancing the body’s magnetic field, and keeping the lungs healthy. As Yang points

out, these treatments have accounted for the lion's share of La Spa's business revenue in the past few years. While medical beauty can alter people's looks and their skin condition, it cannot change the internal state of their body. The body's condition can only be improved by daily personal care. Furthermore, some body care treatments cannot be carried out by consumers at home while others require large-scale equipment. This makes it necessary for consumers looking for these treatments to visit beauty salons.



Yang is also an advocate of combining traditional “wellness theory” and high-tech “equipment beauty”. Currently, the everyday beauty sector can be roughly divided into those businesses which offer “wellness beauty” and those providing “equipment beauty”. Yang thinks the two should be used together to achieve synergy, saying: “What La Spa does is master the knowledge of wellness theory and analyse the body condition, then combine this with the right equipment to enhance the effect of body care. This is the most optimal solution.”

“Equipment beauty” offers the sector another advantage, in Yang’s opinion, which is that with machines replacing beauticians, rising labour costs can be cut. Despite the initial capital cost involved, using machinery reduces the risk to companies of investing heavily in training a skilled beautician and then losing her. Machines also offer better efficacy and efficiency than manual operation, and although manual operation offers a service that may appeal more to the customers’ natural senses such as touch, Yang says that the high efficacy of machine operation is proving to be more attractive. Hence, she says, “equipment beauty” is the future trend.

Recommendations for Hong Kong Companies

Yang says prime importance should be attached to offering services as an experience. As today’s consumers are discerning and well-informed, business operators must make specific suggestions to customers according to their actual needs and allow them to experience the services offered. If the customers find the experience satisfactory, they are likely to continue to use the services.

Extracted from HKTDC Research report.

# JOIN THE ACBC MEMBERS WECHAT GROUP TODAY FOR UP TO DATE ACTIVITY DETAILS

NT ACBC members are involved any many different business activities. This Wechat group is designed to keep members up-to-date with what is happening.



## ACBC NT Members



该二维码7天内(10月22日前)有效, 重新进入将更新

# CHINA CURRENCY EXCHANGE TIPS

In the past the path to China was via Singapore and the best place to change Australia dollars into Chinese Yuan was in Changi airport. Now, with direct flights to Shenzhen, this is no longer an option. The 10pm arrival in Shenzhen means that the airport currency exchange booths are closed, so Yuan must be purchased in Darwin.

The foreign currency booth at the airport is the WORST place to convert Australia dollars into Yuan. The exchange rates offered at the airport and significantly different to the exchange rates offered outside the airport.

How different? I wanted to change \$300 Australia dollar into Yuan at the airport. The exchange rate I was quoted was beyond unreasonable and I rejected it. The staff kindly offered to check the exchange rate at the Casuarina Travelex store. Even more kindly, they exchanged my \$300 at the rates offered in Casuarina.

The difference of a \$300 currency exchange at the airport was \$80 Australia dollars!!!. The Casuarina difference was \$35 when compared with the prevailing exchange rate quoted by Axi foreign exchange. (These are the professional FX market rates) . We would strongly advise travellers to exchange dollars for Yuan at one of the city Travelex stores rather than at the airport.

From Daryl Guppy

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## ACBC NT END OF YEAR DINNER



Date to be confirmed

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## APEC SME BUSINESS SUMMIT, SHENZHEN, November 27/28

The APEC SME business summit will bring together SMEs from the Guangzhou region, and from across the APEC community. Themed as "Joint Consultation , Construction and Sharing, Innovation, Cooperation and Development", APEC SME Business Forum 2018 will focus on topics concerned by SMEs such as regional cooperation , sustainable development, entrepreneurship and innovation, high growth enterprise cultivation.

Combining the Belt and Road Initiative and The Greater Bay Area development plan, candid and constructive discussions will be carried out, advice and expectations from industrial and commercial sectors will also be submitted to the 2019 APEC SME Ministerial Meeting.

There will be limited opportunity to exhibit expo-style. However the organising committee has developed a business meeting/ business matching program.

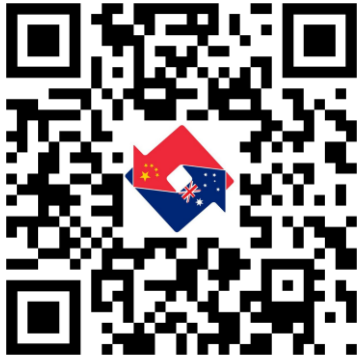
If you are interested in attending as a delegate and taking part in business matching then please contact [acbcnt@acbc.com.au](mailto:acbcnt@acbc.com.au) and we will send you more details and registration forms..

# CHARITY IN CHINA



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

On this episode we speak with Deanne Bevan from the OneSky Foundation on operating a charity in China. Deanne explains how OneSky originally got started and achieved registration as an NGO charity in China. We look at the wonderful work OneSky does with children across China and how it delivers child care capabilities and training to China's emerging charity sector. We also discuss China's new charity law, the growing philanthropy sector in China and how donors get involved with the Foundation.



The podcast is on a few platforms now but you should guide all links to the podcast page on the website that is [www.acbc.com.au/podcasts](http://www.acbc.com.au/podcasts)

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## NT ACBC Branch Meeting Dates

Meeting venue is kindly provided by Deloitte NT.

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:

Dates	Time
28-Nov	8-9 AM

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## 2018-2019 NT ACBC Executive

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

Willem Westra Van Holthe – Primary Consulting International (**Vice President**)

[willem.westra@bigpond.com](mailto:willem.westra@bigpond.com)

Justin Gill – Adobe Homes (**Vice President**) [jg@newabode.com.au](mailto:jg@newabode.com.au)

Kelvin Chan – Ausyn Education (**Vice President**) [marketing@asedu.com.au](mailto:marketing@asedu.com.au)

Richard Ting – Darwin City Hotel (**Treasurer**) [hdting@yahoo.com](mailto:hdting@yahoo.com)

Joseph Aladin - Deloitte Touche Tohmatsu [jaladin@deloitte.com.au](mailto:jaladin@deloitte.com.au)

Gloria Chang - Nidus Innovation and Enterprise Pty Ltd [gloria.chang@nidus-aus.com](mailto:gloria.chang@nidus-aus.com)

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

### Ex-Officio members

Wayne Fan/ Chris Mouat – 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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## PROPOSED NT BRANCH CHINA BUSINESS BRIEFINGS 2018

The Business Briefings will start again in 2018 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.

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

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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

**Darwin Innovation Hub, CEO Harley Paroulakis, [hpp@paspalis.com.au](mailto:hpp@paspalis.com.au)**

**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.

### US withdrawal from Universal Postal Union deals blow to China

President Donald Trump is withdrawing the United States from a long-standing international agreement that lowers shipping costs for Chinese companies sending packages to customers in the US, drawing praise from American manufacturers.

The White House has said that the decision to withdraw was taken after efforts to revise the treaty, which includes 192 nations as signatories, received an international rebuke. Officials have said that they would rather stay in the system but not in its existing format.

The withdrawal process will last at least one year, notes Bloomberg, with postal rates staying fixed for at least the first six months while negotiations are permitted.

"If negotiations are successful, the administration is prepared to rescind the notice of withdrawal and remain in the Universal Postal Union," said White House Press Secretary Sarah Huckabee-Sanders.

The move was lauded by US manufacturers, who call the discounts a \$170 million subsidy to Chinese companies paid by the US Postal Service.

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>

### 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 [acbcnt@acbc.com.au](mailto:acbcnt@acbc.com.au). 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	
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Company fax	
Direct phone	
Direct fax	
Mobile phone	

**LOCATION DETAILS**

Street address	
City	
State	<b>Northern Territory</b>
Post code	

Postal address	I agree to be included in all associated ACBC and appropriate third party event notifications
Please cross out if you do not want your contact details to be given to third parties who issue event invitations to ACBC members	
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)**

<b>Membership</b>	<b>TOTAL</b>
<b>NT Government Departments</b>	1024.87
<b>Companies</b>	
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