

**Sichuan Economy and Trade Trends**  
**Monthly, November 2014**

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**Macro Economy**

## **Tianfu Mercantile Exchange Saw a Trade Volume of Over RMB230 Bln in First 10 Months**

Up to the end of October, a trade volume of over RMB230 billion was harvested in Tianfu Mercantile Exchange, taking a great year-on-year leap from RMB110 billion and out-competed all other exchanges like before.

On November 8<sup>th</sup>, Bulk Commodity EFP (Exchange for Physicals) & OTC Derivatives Regulation and Development Seminar undertaken by Tianfu Mercantile Exchange involved industry hot issues, that is, how to conduct EFP in bulk commodity market and how to regulate and develop OTC derivatives. The Seminar was attended by experts and scholars from Hong Kong Exchange, Shanghai Futures Exchange, Zhengzhou Commodity Exchange, Dalian Commodity Exchange, over 10 regional bulk commodity exchanges and Southwest University of Finance and Economics, etc.

Experts present stated that bulk commodity OTC market, apart from being a favorable supplement for commodity future market, was also taken as a critical factor linking the future and physical markets; effective operation of EFP would function as a helpful engine of the physical economy. (Sichuan Daily reported on November 11<sup>th</sup>)

## **Sichuan Economy Took a Stable Run during First 10 Months**

According to Sichuan's key national economic indicators data for first 10 months announced by Sichuan Provincial Bureau of Statistics, except for some indicators in a drop, the overall economy still moved along on the rising track just like the first 3 quarters, nearly in same pace with national economic trend.

Industrial economy experienced a steady development. During first 10 months, the added value of industrial enterprises above designated size

in Sichuan achieved a year-on-year increase of 9.8%, with accumulated growth rate equal to the growth rate since July. In October, the added value of industrial enterprises above designated size decreased by 0.5 percentage points compared to September. The added value was in smooth rise as for 39 out of 41 major industries. A continuous quick development was seen in auto manufacturing, plus computer, communications and other electronic equipment manufacturing industries, as well as power, heat generation and supply, with an added value rise of 14.8%, 13.9% and 15.2% obtained respectively in the above 3 major categories. The industrial products took the lead in output growth and indoor air conditioner jumped by 35.3%.

A continuous rapid growth was kept for investment. During first 10 months, social fixed-asset investment attained at RMB1970.65 billion, with a year-on-year increase of 12.7%; the accumulated growth rate slowed down by 0.1 percentage points compared to first 3 quarters. The fixed-asset investment (excluding peasant household investment) reached RMB1874.29 billion, rising by 15.9%. The tertiary industry harvested an investment of RMB1312.07 billion, increasing by 20.2% while secondary industry underwent a year-on-year decline of 0.5%.

When it comes to consumption, satisfying outcomes were gained in rural markets and e-commerce. During first 10 months, total retail sales of social consumer goods came to RMB945.56 billion with a year-on-year raise of 12.8% and continued to grow quickly. Retail sales of urban and rural consumer goods respectively got to RMB759.84 billion and RMB185.72 billion respectively, with a year-on-year rise of 12.5% and 13.7%. E-commerce in noticeable progress this year played a significant part in boosting Sichuan's consumption. During first 10 months, trade volume of e-commerce in Sichuan reached RMB1008.19 billion, with a year-on-year increase of 47.1%. (Sichuan Daily reported

on November 19<sup>th</sup>)

### **An Investment of RMB411.3 Bln Injected into Technological Upgrading in First 10 Months**

During first 10 months, a total investment of RMB411.3 billion was injected into technological upgrading, with 6.1% higher than corresponding period in last year and 0.6 percentage points lower in growth rate compared to first 3 quarters.

7 major competitive industries benefited most from the investment. During first 10 months, the 7 industries, namely, electronic information, equipment manufacturing, drinks & food, oil & gas, vanadium-titanium steel and rare earth, energy and power, auto manufacturing occupied RMB276.7 billion, which accounted for 67.3% of the investment.

The investment for technological upgrading in traditional industries saw a noticeable leap. During first 10 months, the investment for technological upgrading in traditional industries, to name a few, light industry, textile, food and coal industries accumulated to RMB214.5 billion rising by 7.8%, 1.7 percentage points higher than the average growth rate of technological upgrading in Sichuan and occupying nearly 60% of total investment.

During first 10 months, regions with technological investment of above RMB20 billion climbed up, including Chengdu, Luzhou, Deyang, Mianyang, Meishan, Dazhou and Yibin. 11 prefectures and cities in total got a raise of 10% in technological investment growth rate. (Sichuan Daily reported on November 21<sup>st</sup>)

### **Industries above the Designated Size in Sichuan Reaped Rising Profits**

Sichuan industrial economy took a steady rise, making a profit

rebound curve. During first 3 quarters, industries above the designated size gained a profit of RMB151.57 billion, with a year-on-year increase of 10.5%; the growth rate jumped respectively by 7.1 and 3 percentage points compared to first quarter and first half year and were 2.6 percentage points higher than national average level.

Since this year, Sichuan's industrial profit growth rate has taken on a totally different trend with national overall conditions. The accumulated industrial profit growth rate of July, August, and September was respectively 9.8%, 10.8%, and 10.5%, recovering by a big margin while that of corresponding months was 11.7%, 10% and 7.9%, taking a gradual decline.

During first 3 quarters, the deficit of Sichuan industries above the designated size reached RMB23.04 billion, 9.8% lower than national average level and respectively 8.4 and 38.2 percentage points lower than first half year and first quarter. Profit for support industries of those who suffered the most deficit picked up by over 3 percentage points.

In addition, the growth rate of finished products stock in Sichuan slowed down. During first 9 months, the finished products stock of Sichuan industries above the designated size arrived at RMB122.16 billion, rising by 9.8%; the corresponding growth rate went down by 1.7 and 3.6 percentage points respectively compared to first half year and first quarter and was 5.3 percentage points lower than national average level. (Sichuan Daily reported on November 26<sup>th</sup>)

## **Foreign Trade**

### **A Permanent Australian Consulate-general in Chengdu Opened**

On November 9<sup>th</sup>, Chengdu witnessed the opening of a permanent Australian Consulate-general in Baiyang Building, where Julie Bishop – a minister of Australian Government Department of Foreign Affairs and

Trade and Gan Lin – the deputy governor of Sichuan took their presence and made a speech.

As the 4<sup>th</sup> Australian Consulate established in China, Australian Consulate-general in Chengdu opened in July last year and moved to Floor 27 on Baiyang Building as a permanent seat on Oct. 24<sup>th</sup> this year. Julie Bishop mentioned: “The establishment of an Australian permanent foreign affairs institute in Sichuan is a reflection of great achievements in diplomatic relationships between China and Australia during the past over 40 years. Given that lots of satisfying fruits are being brought out in southwest China, Australia would like to broaden its communication and exchange with Sichuan in economy and culture. So far, many eminent enterprises such as PLACE and Australia & New Zealand Banking have taken a seat in Sichuan markets. I hope more and more Australian firms will build their branches here. Besides economic and trade cooperation, closer and closer relationship between 2 sides have been established in education, technology, culture and travel, etc. Australia will spare no efforts to bring more and more residents in Sichuan for travel or visit to our country.”

Gan Lin stated: “Since the opening of Australian Consulate-general in Chengdu, relationship between Australia and Sichuan has moved onto a high-speed rail. The import-export volume between the 2 sides during first half year climbed up by 50%. The establishment of permanent consulate will boost mutual communications and exchange in economy and trade, culture, tourism and other aspects and open up a new mutual cooperation era.” (Sichuan Daily reported on November 10<sup>th</sup>)

### **Ansteel Galvalume Products Started Their First Export to Europe**

On November 12<sup>th</sup>, 60 ton of Galvalume electric control cabinets manufactured by Ansteel arrived at Tianjin Port and waited for departure

for Italy, for their first export to Europe.

The above exported products are broad and thin ones sized at 0.6×1250mm with high requirements as to production technology and process control. Ansteel made great efforts to improve production organization and process. Before manufacturing products for export, transitional materials with similar specifications are applied for adjusting critical process parameters such as unit rate, air knife and annealing furnace for perfection, to ensure smooth production. (Sichuan Daily reported on November 13<sup>th</sup>)

### **Chengdu Witnessed the Opening of Israeli Consulate-general**

On November 17<sup>th</sup>, Israeli Consulate-general in Chengdu opened. Israeli Consulate-general in Chengdu is the 4<sup>th</sup> Israeli consulate (after that in Shanghai, Guangzhou and Hong Kong) in China, with its consular district covering Sichuan, Chongqing, Guizhou, and Yunnan.

In recent years, under joint efforts, cooperation in economy and trade, agriculture, technology, culture and other fields between Sichuan and Israel has yielded noticeable fruits. In 2013, the trade volume between Sichuan and Israel reached RMB0.65 billion, with a year-on-year increase of 40.9%. In November last year, Chengdu and Israel Haifa became international sister cities. (Sichuan Daily reported on November 18<sup>th</sup>)

### **7 Sichuan Firms Engaged in Registration of a Joint Firm in Uganda**

Sichuan Provincial Agricultural Department was in active implementation of over 30 intentional cooperation agreements signed with Ugandan enterprises. 7 Sichuan companies intended to cooperate in an agriculture park in Uganda, mainly focusing on paddy, cotton, and edible fungus planting, chicken-raising, as well as farm products



processing and they had been engaged in the registration of a joint firm. Agricultural multi-lateral “South-South Cooperation” refers to a tri-lateral cooperation project jointly implemented by China’s government, FAO and the government of recipient country. It specifies that China sends agriculture experts and technicians to the recipient countries for agricultural assistance, to elevate their agricultural production capacity as well as food safety level. Since 1998, China has successively organized 21 “South-South Cooperation” projects and sent 1008 agriculture experts and technicians to 24 countries in Africa, Asia, South Pacific and Caribbean. In October this year, our country announced a donation of USD50 million to FAO for the “South-South Cooperation”.

Sichuan Provincial Agricultural Department arranged the “one province for one country” pattern and dispatched experts for the implementation of “China-Uganda South-South Cooperation” project, which has been shaping up as a new platform for Sichuan agriculture going-out. (Sichuan Daily reported on November 19<sup>th</sup>)

### **Export and Import Trade Went up by 11.8% during First 10 Months**

During first 10 months, Sichuan’s total export and import trade volume reached 358.05 billion, with a year-on-year increase of 11.8% and it beat the corresponding national overall growth rate (2.5%) during the same period. Meanwhile, Sichuan export and import volume grew by 2 digits; and total Sichuan export and import volume in October went up by 11.7%, recovering from export decline in September.

In October, the bilateral import and export trade between Sichuan and its main trade partners such as America, EU, Hong Kong, and Japan all gained a growth rate of over 22%, which, according to the opinions of customs authorities, was regarded as the major reason for recovery in foreign trade in October.

Export products got further optimized. During first 10 months, dominant export products of Sichuan – the mechanical and electrical products including portable computers and integrated circuits yielded RMB146.72 billion rising by 12.9%, contributing to an added 8.1 percentage points in Sichuan export trade and counting for 64% of gross export value in Sichuan. By contrast, the export of 7 major kinds of traditional labor-intensive products had a year-on-year decline of 8.8%. A year-on-year decline also took place in the growth rate of shoes & boots, toys, clothes, textiles, plastic products, furniture, travel accessories and luggage. Meanwhile, an increase was seen in Sichuan export industrial finished products but a decline in semi-finished ones.

As a window of Sichuan opening-up, the import and export volume of Chengdu Hi-tech Comprehensive Bonded Zone took a year-on-year increase of 23.9% during first 10 months, accounting for 44.6% of gross import and export in Sichuan. Compal Electronics, INC. and Wistron Group were gaining continuous expansion in their capacity. At the same time, Shuangliu Park of the Bonded Zone obtained RMB24.02 billion in export, rising by 67.5%. (Sichuan Daily reported on November 20<sup>th</sup>)

### **Sichuan Pork Expected to Export to Russia**

On November 21<sup>st</sup>, Sichuan Russia and CIS Countries Chamber of Commerce was founded, aimed at encouraging groups of Sichuan firms to invest in Russian agriculture, forestry, infrastructure, clean energy, and other projects. Under early efforts of the chamber, Sichuan pork was expected to be exported to Russia. Russia was ever a significant export market of Sichuan pork; the export fell into stagnation in recent 10 years for some special reasons.

In June this year, a Sino-Russian “two river areas” regional cooperation mechanism was signed between upper-middle areas of

Yangtze River and federal districts along Russian Volga River, which was the first cooperation mechanism established between non-adjacent areas of China and Russia. Sichuan also signed cooperation agreements with Chuvash Republic and Orenburg Region of Russian Federation. According to the principal of Sichuan Russia and CIS Countries Chamber of Commerce, 6 projects of Sichuan enterprises had been incorporated into Sino-Russian “two river areas” regional cooperation list; the projects covered agriculture, forestry, infrastructure and the like fields, with the gross project sum over USD1 billion. (Sichuan Daily reported on November 22<sup>nd</sup>)

### **Japan External Trade Organization Established Office in Chengdu**

On November 28<sup>th</sup>, Japan External Trade Organization Chengdu Office Opening Ceremony & Sino-Japanese Investment Exchange Promotion Forum was held in Chengdu. It was the Organization’s 8<sup>th</sup> office in China as well as 1<sup>st</sup> in southwestern regions. Peng Yu – the deputy director of Sichuan Provincial Standing Committee of the National People's Congress attended the ceremony.

This office was intended for promoting Sino-Japanese trade and investment in west China; it is dedicated to creating favorable environments for inbound Japanese enterprises, supporting Japanese enterprises for their investment and business-spreading in west China, as well as encouraging capable Chinese firms in western regions to invest in Japan. (Sichuan Daily reported on November 29<sup>th</sup>)

### **Key Projects**

#### **Construction of Wenchuan-Barkam Expressway Commenced**

The construction of Wenchuan-Barkam Expressway with ever most investment and highest bridge-tunnel ratio in Sichuan commenced on

November 4<sup>th</sup>. Once the expressway is accomplished as a westward road out of Sichuan, it will take no more than 3 hours (nearly 5 hours now) for a ride from Chengdu to Barkam and 21 cities (prefectures) in Sichuan will be accessible to expressway.

With a total investment of RMB28.7 billion, Wenchuan-Barkam Expressway has an approved construction period of 6 years and a total length of about 174km, starting from Fengpingba south of Wenchuan County in Aba Prefecture, stretching up along Zagunao River, Taoping Township, Lixian County, Guergou Village, Miyaluo Village, going through Mt. Zhegu and then down along Suomo River, ending at Zhuokeji Town. The expressway climbs from the edge of Sichuan Basin up along Qinghai-Tibet Plateau area, with the altitude rising from 1320m to 3225m; and its bridge-tunnel ratio which reaches 86.5% leads both domestically and worldwide. (Sichuan Daily reported on November 5<sup>th</sup>)

## **Industries**

### **Texas Instruments Setting Up 12-Inch Wafer Bumping Factory in Chengdu**

On November 6<sup>th</sup>, the semiconductor giant and the world largest analog integrated circuit manufacturer—Texas Instruments declared that it would set up new 12-inch wafer bumping factory and introduce the capacity of manufacturing 12-inch wafer bumping into Chengdu. On the same day, the seventh assembly and testing factory of Texas Instruments in the globe was officially set up.

On June 7<sup>th</sup> of last year which was the second day of Fortune Global Forum opened in Chengdu, Texas Instruments announced the plan of investing USD1.69 billion in High-tech zone of Chengdu in the next 15 years; and 12-inch wafer bumping factory and assembly and testing factory were all parts of the investment plan.

The assembly and testing factory covers a total area of 33,260 square meters and has recently output finished products. 12-inch wafer bumping factory project is expected to be officially put into operation in the first half of 2016. Manufacturing process of wafer bumping is completed before being assembled and falls into the scope of advanced assembly technique, and about 40% of TI wafer production process adopts the technique. Chengdu will become the Texas Instruments' the largest in the globe and also the world-class base which solely collects IC design, manufacture, assembly and test once the 1.69 billion's project has been constructed and put into operation completely. (Sichuan Daily reported on November 7<sup>th</sup>)

### **Main Revenue of Longquanyi Automobile Industry Exceeding RMB100 Bln within Three Quarters for the First Time**

From January to September this year, Longquanyi District's total output value totaled RMB68.26 billion, and increased year-on-year by 13.4%. Automobile industry realized RMB125 billion's main revenue which exceeded RMB100 billion within three quarters for the first time. The strong driving force of Longquanyi District was derived from industry, especially the automobile manufacturing. Unlike previous years, with the burgeoning of industries like automobile exposition, automobile finance and automobile culture, automobile post market has made a significance contribution to the District's economy.

Longquanyi District has measured the area that brought into the scope of Tianfu New Area's planning. According to the general plan of Tianfu New Area, Longquanyi District mainly includes functional areas of high-end manufacturing industry and international tourist culture (part) of "Two Lakes and One Mountain" (Sancha Lake, Longquan Lake and Longquan Mountain), the planning areas of these two functional areas

cover 277 square kilometers which occupy 21.42 % of the whole Chengdu District. During the first three quarters of this year, Longquanyi District has realized GDP RMB60 billion which occupied 50.7% of the economic aggregate of Tianfu New Area's Chengdu District. (Sichuan Daily reported on November 11<sup>th</sup>)

### **The First Nationwide P2G Platform Launched in Sichuan**

The first nationwide P2G (private-to-government) internet financial service platform - financial investment and promotion was officially made its debut on November 13<sup>th</sup>.

The P2G platform shares no any difference from common P2P internet credit from the perspective of operation pattern, since they all take the platform as medium and fulfill both investment and financing sides' needs. It is named as P2G for the platform mainly serves direct investment project of government, investment project that government shoulders buy-back responsibility, factoring project of state-owned enterprise (central enterprise), obligatory right buy-back project of state-owned financial institution and other government credit involved projects. With the investment projects backed by government credit, the platform is an internet financial investment pattern that private capitals invest in the government projects. (Sichuan Daily reported on November 14<sup>th</sup>)

### **Southwest Regional Center of National Assistive Devices Settled in Sichuan**

China Disabled Persons' Federation (CDPF) has recently determined to settle southwest regional center of national assistive devices in Sichuan and allocated RMB40 million's project subsidy funds

for our province. Southwest regional center of national assistive devices is to be built in 2015 and it will be the high-quality talents' construction site of the assistive devices, distribution center and R&D base for related products of assistive devices and adaptation service center of assistive devices upon completion.

Assistive devices are necessary for disabled persons to recover physical function, rehabilitate and enter the society. In our province, there are 6.223 million disabled persons among which 70% have the need of using assistive devices. In 2013, CDPF determined to arrange special funds and give key support by setting up 6 regional centers of national assistive device, i.e. in the Northeast, East China, Central China, South China, Northwest and Southwest. Among them, the Southwest center radiates 6 provinces (cities and districts) like Sichuan, Chongqing, Yunnan, Guizhou, Guangxi and Tibet, etc.. (Sichuan Daily reported on November 14<sup>th</sup>)

### **Sichuan Products Sold Out for RMB1.5 Bln on “Double 11” (November 11<sup>th</sup>)**

The total trading volume of our province on “Double 11” (November 11<sup>th</sup>) exceeded RMB3.5 billion. Thereinto, Sichuan products sold RMB1.5 billion on the same day which increased by over RMB1 billion than last year.

Among the overall quotation of RMB3.5 billion, total transaction amount of Sichuan in Tmall was RMB1.96 billion, total amount of sold “Made in Sichuan” products exceeded RMB1.5 billion by own platform or the third party's well-known platform and mobile terminal.

The consumption amount realized by Sichuan ranked the sixth of the whole nation by relying on the Tmall platform. Preparing goods in advance, arranging logistics and triggering the growth of industry sales

were all supported by the big data. Over RMB1.5 billion's sales volumes among "Double 11" (November 11<sup>th</sup>) RMB3.5 billion's trading volumes were contributed by local products.

Nearly 200,000 online stores and micro e-commerce businesses participated in "Double 11" (November 11<sup>th</sup>) sales promotion; and the sales were exceptionally hot. From category point of view, footwear occupied the greatest sales volumes which exceeded RMB0.2 billion and the following is Sichuan specialty food which accounted for RMB130 million. Cosmetics and bags industries were the best-selling business units whose sales volumes exceeded RMB8 million. Sales of ordering and selling by mobile client, APP and micro stores, etc., occupied 40% of the total sales amount, and mobile purchase share rose significantly. (Sichuan Daily reported on November 15<sup>th</sup>)

### **The First Sino-German SME Park Settles in Chengdu**

Sino-German Pujiang SME Park, the first Sino-German SME Park in western China, was inaugurated on November 20<sup>th</sup>, 2014. The planning area of the park is 7 square kilometers, where German industrial technologies and specialized talents will be introduced to promote precision machinery and bio-industry.

By 2020, the park will gather over 100 German-and other foreign-funded enterprises, bringing output value of about RMB10 billion and over RMB1 billion revenues. Followed after the city of Taicang in Jiangsu Province, Pujiang will become the second cooperation platform for Sino-German SMEs and to explore the standard of defining Chinese companies' participation in German product manufacturing. Moreover, the Ministry of Industry and Information Technology of the People's Republic of China is working out a plan to support Pujiang with policies, capitals and professionals. (Sichuan Daily reported on November 24<sup>th</sup>)



## **Convention & Exhibition Economy**

### **RMB0.8 Trillion Invested and Signed at the 15<sup>th</sup> WCIF**

1,067 projects worthy of RMB805.09 billion have been invested and signed, respectively increasing by 131% and 43% compared with last year; and RMB121 billion of trade volume has been achieved, growing by 12.24% compared with previous year. The 240,000 square meters main exhibition is much larger than before and has successfully held the largest number of participating countries and enterprises, and national pavilions.

Sichuan has signed 868 projects of RMB602.86 billion investment, occupying 74.9% of the total contract volume; the rotating presidency unit Shaanxi signed 18 investment projects, valuing RMB21.185 billion; and the theme city Luzhou signed 48 investment projects, equaling RMB33.06 billion in total.

The fair was getting much closer to international standard and increasingly specialized and market-oriented. It was convened in two sessions for the first time: session 1 gave priority to industry, emphasizing investment promotion; session 2 focused on consumption, highlighting trade cooperation. 8 important activities and 42 special events were conducted, involving over 10 fields like investment, trade, finance, education, culture, agriculture and tourism.

The fair held more than 60,000 domestic and overseas guests from 98 countries and regions, including over 20,000 foreign guests who made up 33% of the total participating guests; 8,981 enterprises from 76 countries and regions, with 2,951 enterprises abroad, rising by 108% compared with previous year; and 14 national pavilions, such as France, USA, German, Czechoslovakia and South Africa. Above 500,000 person-time of audiences took their presence at the main exhibitions of

the two session.

It was the first time for the fair to cooperate with Hannover Milano Fairs China Ltd., which has successfully forged the first specialized industrial brand exhibition; to work with the Semiconductor Equipment and Materials International (SEMI) and China National Electronics Imp & Exp Corp (CEIEC); and to scheme the Western China Industrial Manufacture & Technology Expo, the Western China Emergency Industry Expo and the Sichuan Agricultural Fair.

It was the first time for the fair to set up five high-end & growth industry exhibition halls; seven dedicated exhibition areas, concerning general aviation, intelligent cars, new panel displays, wearable devices, emergency facilities, organic food, and building materials; as well as a Sichuan technology boutique area. (Sichuan Daily reported on November 4<sup>th</sup>)

### **Procurement Volume at the Sichuan Agricultural Fair Exceeding RMB24 Bln**

The 2014 Sichuan Agricultural Fair & Commendation Ceremony was held in Chengdu. At the fair, 62 procurement contracts of agricultural products were signed, totaling RMB3091 million; 21 advanced units of investment promotion and sales exhibition were commented in writing notice, with their products issued with 80 gold awards, 115 featured awards, and 105 consumer welcome awards. It was the first time for Sichuan to have purchasers signed procurement contracts and to conduct product-appraising activities on the agricultural fair.

21 cities (autonomous prefectures) in Sichuan realized RMB24.359 billion procurement volume of agricultural products, including RMB1.407 billion of on-the-spot purchase amount, RMB13.976 billion of 654 procurement contracts; and totaling RMB43.28 billion of 61

agricultural cooperation projects that were invested by investors from outside Sichuan, increasing by 15.1% on a year-on-year basis.

Furthermore, regional collaboration has brought about new achievements. Five Sichuan-Taiwan cooperation projects totaling RMB2.91 billion were signed; and agricultural cooperation projects valuing over RMB one billion were signed with Shaanxi, Guangxi, Inner Mongolia and Chongqing. (Sichuan Daily reported on November 4<sup>th</sup>)

### **The Sichuan Tourism Culture Week and Sichuan Tourism Experience Pavilion Opened in Russia**

On November 5<sup>th</sup>, Sichuan Tourism Culture Week and Sichuan Tourism Products Promotion opened in Russia. At the meeting, the Tourism Administration of Sichuan Province (the Administration) expounded the current status of Sichuan tourism, Chengdu-Moscow chartered tourism airplanes, and Sichuan inbound travel incentives, and launched special tourist projects for Russian visitors like “Ice-Snow Hot Spring” and “Shopping Trip”.

To localize and normalize Sichuan Tourism in Russia, the Administration cooperated and local companies simultaneously unveiled the Sichuan Tourism Experience Pavilion in Moscow, where a miniature panda world put up by about 1,000 panda dolls attracted many Russians and tourists.

In the first three quarters of this year, Sichuan had received 10,600 persons-time of Russian tourists, growing by 27% compared with last year. (Sichuan Daily reported on November 9<sup>th</sup>)

### **The Michelin Global Summit Opens in Chengdu**

On November 12<sup>th</sup>, the 12<sup>th</sup> “Michelin Challenge Bibendum”

Global Summit was held in Chengdu International Intangible Cultural Heritage Expo Park with participants from 150 private enterprises including senior managers, energy suppliers, 100 public institutions, and more than 3,000 domestic and foreign professionals. The topic of the summit was the challenges and corresponding solutions of sustainable transportation.

Founded by the Michelin Group in 1998, the Bibendum had been held eleven sessions, including two sessions in Shanghai. It has gathered automakers, technical partners, and energy suppliers and research institutes together to help the government and the decision makers of the companies as well as public opinion leaders deeply understand multiple up-to-date technologies in the automotive field, realizing a sustainable road transport. (Sichuan Daily reported on November 12<sup>th</sup>)

### **The 7<sup>th</sup> China (Deyang) International SMEs Trade Fair to be Held in Deyang Next Month**

The 7<sup>th</sup> China (Deyang) International SMEs Trade Fair will be held in Deyang on Dec. 5-8, 2014, with approximately 10,000 square meters of indoor area holding more than 300 enterprises.

To be jointly chaired by China International Cooperation Association of Small and Medium Enterprises, Sichuan Bureau of Expo Fairs, and the People's Government of Deyang, the fair will exhibit featured products and high-quality brands to help small and medium enterprises expand domestic and overseas markets, drive transformation and upgrading, and promote coordination and international cooperation

around the theme of “cooperation pushes creation, service boosts growth”.

The indoor exhibition area of the convention is 10,000 square meters, designed to put up 308 standard exhibition booths; the outdoor area thereof is planned to set up about 50 booths, including not less than 10% of international booths. The exhibition will cover such lines as e-commerce, new materials, new energy, machining, fine chemistry, bio-pharmaceutical, and deep processing of agricultural and sideline products. The e-commerce platform businesses and their upstream and downstream supporting companies will be the key participating unit of the fair. (Sichuan Daily reported on November 13<sup>th</sup>)

### **The Opening Ceremony of the China (Chengdu) International Modern Industrial Technology Expo**

The China (Chengdu) International Modern Industrial Technology Expo 2014 (CMIT 2014) was inaugurated on November 25<sup>th</sup>, which attracted many international and national robot companies to exhibit the latest robot applications and robot system solutions.

The three-day Expo attracted hundreds of high-quality manufacturers to present the latest robot applications and robot system solutions in a 20,000 square meters exhibition area. At the same time, another convention, namely the CMIT Industrial Robotics Conference 2014 also attracted several heavyweights from Shanghai Robot Industry Association and leading enterprises to discuss the promotion of industrial upgrading of industrial robots in central and western China. (Sichuan Daily reported on November 26<sup>th</sup>)

### **The Opening Ceremony of the China (Panzhihua) Vanadium and Titanium Industry Expo**

On November 27<sup>th</sup>, more than 1,000 businesses at home and abroad and beyond 2,000 guests participated in the exhibition and discussion activity of vanadium-titanium industry in Panzhihua, the City of Vanadium and Titanium.

At the 2014 China (Panzhihua) Vanadium and Titanium Industry Expo, eight important activities were carried out around the theme of “innovation drives development and vanadium and titanium change the future” and the theme forum that highlighted “the development practice and prospect of the vanadium and titanium industry”. The consulting research results of strategies to comprehensively use vanadium and titanium resources of Panzhihua was published by the Chinese Academy of Engineering at the meeting. Other conventions were also held during the meeting, such as the 1<sup>st</sup> Tellurium and Bismuth Technology Forum, the 2<sup>nd</sup> Exploitation Technology Intercommunications of Vanadium-Titanium Magnetite Resources and an investment symposium, as well as the National Vanadium-Titanium Symposium and 2014 Titanium Dioxide Fair were held on November 27<sup>th</sup>.

The expo was attended by 117 national and foreign enterprises. Within a 10,000 square meters exhibition area, the whole industrial chain was displayed, from the upstream of resources, raw materials, manufacturing devices, testing and measuring instruments to the downstream of titanium alloy profiles and rutile titanium dioxide, as well as such fields as iron and steel, chemicals and aerospace. Moreover, a variety of civil titanium products were also exhibited, like badminton rackets, golf clubs, water glasses, and spectacle frames. (Sichuan Daily reported on November 28<sup>th</sup>)

### **CCPIT Sichuan Council**

**Delegation Led by President Li Gang to the United States, Canada**

## **and Venezuela for Economic and Trade Activities**

In order to implement the provincial Party committee and provincial government strategic deployment of “international expansion of emerging market enterprises”, with the invitations from APPA, Los Angeles Area Chamber of Commerce, CCBC as well as CONAPRI, President Li Gang and his companions went to America, Canada and Venezuela from October 27<sup>th</sup>, 2014 to November 5<sup>th</sup>, 2014 to carry out economic and trade activities. During the period, President Li Gang had participated in the “46<sup>th</sup> AAPEX in 2014” which was held in Las Vegas, America. This tour was co-organized by our council and Automobile Council of ICC. The delegation was comprised of 45 people respectively coming from the Sichuan vehicle industry, automotive spare parts production and sales industry, automobile insurance industry, real estate industry, pharmaceutical industry and trade agency industry.

On November 2<sup>nd</sup>, President Li and his delegation paid an official call on the executive manager of CONAPRI - Mr. Ecuador Parkrany in Caracas-the capital of Venezuela. The two sides discussed the resource complementary advantages on the aspects of petroleum, natural gas, mineral resources, forests and waterpower, etc. Mr. Ecuador hoped to strengthen the cooperation with our province in the fields of machine building industry, pharmaceuticals industry and electronic industry, etc. They hoped that this visitation can further deepen the long-term cooperation relationship between the CCPIT Sichuan Council and CONAPRI, enhance the communication and preferably help enterprises in Sichuan go out to explore the Latin American market. Furthermore, President Li Gang also invited Mr. Ecuador to come to Sichuan next year to participate in the “5<sup>th</sup> China Sichuan Imported Commodity Fair” which will be sponsored by CCPIT Sichuan Council. President Li Gang also proposed to introduce the products from Venezuela to Sichuan to further

strengthen the bilateral trade.

In the afternoon of November 4<sup>th</sup>, President Li and the delegation made an official visit to Chairman of ACCS-Sun Wentie in Los Angeles, America. The two sides had a friendly conversation on how to further reinforce the communication and cooperation on the aspects of economy, trade, investment, training and information. During the meeting, President Sun introduced Mr. Michael, the CEO of USA China Investment Group. The group gave professional trainings to Chinese entrepreneurs on how to access to the northern American market and Mr. Sun hoped to build relationship with us and strengthen the cooperation. President Li Gang expressed that he would actively promote the bilateral cooperation. Furthermore, he also sent out invitation to the American groups and enterprises to partake in the “5<sup>th</sup> China Sichuan Imported Commodity Fair” and the “CAPAS Chengdu 2015”.

The delegation visited the “AAPEX Show 2014” on November 4<sup>th</sup>. AAPEX Show, founded in 1969, is held once a year. The year marks its 46<sup>th</sup> session. It is co-sponsored by ASIA, MEMA and APAA and has become the largest professional exhibition for automobile manufacturing trade and automotive after sales service market in the world. The exhibition area of this year’ AAPEX Show was more than a hundred thousand square meters and almost 2000 exhibitors from more than 50 countries and regions came here for the exhibition. This Show is the most quick and convenient way to access to the global automotive spare parts and after sales service market and the most effective exhibition for promoting the automotive spare parts industrial trade in northern America area. We organized about 15 enterprises including Haida Group, Mianyang Tianxuan Valve System Co., Ltd., Mianyang Fulin Precision Machining Co., Ltd., Chengdu Shengbang Sealing Parts Co., Ltd., Guang’an Yihua Electronics Technology Co., Ltd., Leshan Dongfeng



Automobile Electric Appliance Co., Ltd., Chengdu Shuqi Industry Co., Ltd., and Sichuan Jidao Electric Drive Co., Ltd., etc. to join in the exhibition and reserved 21 exhibition stands with a total booth area of 189m<sup>2</sup>. Among which Mianyang Tianxuan Valve System Co., Ltd., Mianyang Fulin Precision Machining Co., Ltd., Sichuan Jidao Electric Drive Co., Ltd., Leshan Dongfeng Automobile Electric Appliance Co., Ltd. and Chengdu Zhengine Accessory Co., Ltd., etc. had participated in the show for many times. During the exhibition, we also invited relevant enterprises here to visit the show and made an investigation and analysis on the development status and development tendency of modern automotive spare parts industry. In virtue of this valuable opportunity, enterprises in our province not only took full advantage of the platform of international electronics exhibition to publicize, introduce and promote their own products as well as expand the overseas market, but also actively communicated with other enterprises from foreign countries to get large quantity of industry information and achieve a total order of almost USD3 million. The majority of the enterprises said they would continue to join in the exhibition next year.

The Delegation also successively held the bilateral enterprises trade docking discussion fairs in Vancouver and Toronto on October 28<sup>th</sup> and October 31<sup>st</sup>, during which enterprises from the two sides made a friendly and in-depth docking discussion on electronic industry, mechanical industry, automobile spare parts industry and foreign trade industry, etc. and made exchanges for their opinions on operation development modes, focused their discussions on their technical cooperation in relevant industries and reached a consensus on the trade development of overseas market. Through the face to face discussion, the Sichuan Wanhao Electronic Technology Co., Ltd. and the Guang'an Yihua Electronics Technology Co., Ltd. had respectively reached the intentional trade

cooperation agreement with Canadian enterprises. With a contract amount of nearly USD3 million, the agreement items mainly include the automobile spare parts manufacturing and sales, electronics manufacturing and mechanic model fabrication. During the discussion fairs, President Li Gang made an introduction on the basic situation and investment environment of our province as well as the general development circumstance of enterprises in CCPIT Sichuan Council. Furthermore, he also did the promotion for the “CAPAS Chengdu 2015” and the “5<sup>th</sup> China Sichuan Imported Commodity Fair” which will be held in Chengdu next year.

Throughout the discussion fairs, most of the enterprises in our province hold the opinions that Canada is one of the most economically developed countries in northern America with rich and abundant natural resources and well-developed mining industry, manufacturing industry, agricultural and service industry. In recent years, the bilateral economic and trade cooperation has been gradually strengthened. As these resources in Canada has certain complementarity with our provincial industry, we will further explore the market and keep deepening the bilateral partnership in the fields of mining industry, energy sources, agricultural products, science & technology, transportation, automobile spare parts, etc.

### **Delegation Led by Vice President Li Li to Taiwan for Economic and Trade Exchange Activity**

In order to further strengthen the exchange and cooperation between Sichuan and Taiwan on the aspect of agriculture and food industry, at the invitation of Taiwan Trade Center, Vice President Li Li and his economic and trade delegation consisted of 20 persons from 11 enterprises paid a visit to Taiwan from November 3<sup>rd</sup> to November 9<sup>th</sup>,

2014.

The delegation were mainly engaged in a series of activities including visiting the Taiwan Trade Center, having an informal discussion with Deputy Secretary General - Ye Mingshui, visiting the “2014 Kaohsiung Food Show”, holding the “2014 Sichuan-Taiwan Food Purchasing Matching Meeting”, visiting the Taitung County Farmers’ Association and investigating the custard apple fruit gardens and packaging line, etc.

During the exhibition, one-to-one talks were made between the delegation and Taiwan enterprises in the “Food Provider Purchasing Conference” held by us with fruitful results. The Sichuan Yuwang Ecological Agriculture Development Co., Ltd. of Sichuan ICC Agricultural Products Committee respectively reached fruit purchasing cooperation agreements with Taiwan Changlong Agricultural Products Co., Ltd. and Wangwangfa Trade Co., Ltd. with a turnover of USD1.2 million. The Sichuan Shuanggou Electronic Commerce Co., Ltd. had come to intentional purchasing agreements with Taiwan Weitai Science & Technology Co., Ltd. and Laochangshou Health Winery for importing health wine and characteristic fruits. The Changning Yongmao Winery Co., Ltd. had talked over with 5 Taiwan companies including Sun How Liquor Technology Co., Ltd. and Longxiang Nanotechnology Co., Ltd., came to an intentional purchasing agreement with Sun How Liquor Technology Co., Ltd. for 100 ton pure sorghum liquor and reached an agreement with Longxiang Nanotechnology Co., Ltd. which takes advantage of nanotechnology to produce wine bottle and wine sets for promoting their products. Other companies and enterprises had communicated with each other and laid solid foundation for further cooperation.

Vice President Li Li, at this occasion, made introduction to the

basic conditions of Sichuan province and emphasized the fully open cooperation strategy and strategic deployment of “international expansion of emerging market enterprises”. In order to promote the mutual understanding and effectively promote Sichuan Province, Vice President Li Li also invited Taiwan enterprises to come to Sichuan for visitation and investigation.

### **President Li Gang Went to Chongqing to Participate in the Opening Ceremony of Netherlands Consulate-general in Chongqing**

On November 21<sup>st</sup>, 2014, at the invitation of the Netherlands ambassador in China - Aart Jacobi and consul-general of Netherlands Consulate-general in Chongqing - Tan Jingnan, President Li Gang went to Chongqing to participate in the opening ceremony of Netherlands Consulate-general in Chongqing.

On the opening ceremony, President Li Gang made communications with Ambassador Aart Jacobi, Consul-general Tan Jingnan, RCRO CEO Huang Wei and other officers from Netherlands about strengthening the cooperation relationship between Sichuan and Netherlands. Both sides said that there was a great cooperation potential and great many cooperation opportunities between Sichuan and Netherlands and they hoped to further deepen this kind of collaboration.

Following the Netherlands Consulates in Beijing, Shanghai, Guangzhou and Hong Kong, the Netherlands Consulate-general in Chongqing is the fifth foreign representative office in China. Its consular district covers Chongqing, Sichuan and Shaanxi.

### **CCPIT Sichuan Council Led Enterprises to Brazil for “2014 China Brand Show”**

In order to accelerate the transformation of foreign trade

development mode, cultivate the new competition advantage of export, strengthen the publicity and promotion of self-owned brand commodities and deeply explore the Latin American market, from November 16<sup>th</sup> to November 21<sup>st</sup>, 2014, the delegation of 8 people from 6 enterprises of CCPIT Sichuan Council went to Brazil to participate in the “2014 China Brand Show” complying with the provincial government activity arrangement of “international expansion of emerging market enterprises”. The Show was sponsored by Ministry of Commerce of PRC and organized by the Trade Development Bureau of Ministry of Commerce of PRC and China Chamber of Commerce for Import and Export of Machinery and Electronic Products. Sichuan is the only province in western China joining in the show in group. A total of 6 standard booths had been set in the show. Exhibitors mainly came from the CE industry, information communication industry, lighting product industry, automobile industry, petroleum pipe industry and light industrial goods industry, etc. Wherein, there were many well-known enterprises like Jiuzhou Group and Sichuan Auto Industry Co., Ltd.

During the show, the hi-tech products of Sichuan enterprises had been preferred by Brazilian businessmen and customers. The Jiuzhou Group had settled in Latin American market with an annual turnover of more than USD30 million and set an office in St. Paulo, Brazil. The five kinds of products of Jiuzhou Group including digital TV equipment, portable projector, LED products, photo electricity cable and mobile phone had successfully attracted the attention of participates in the exhibition. After receiving more than a hundred businessmen, Jiuzhou Group had reached sales intention of 500 sets of STB with Brazilian High Tech Solutions Company, reached mobile phone sales cooperation intentions with Brazilian large scale general merchandise companies, the home appliance retailer-Polishop Company, and the Power Fast Industria

e Comercio LTDA Company, reached LED light sales cooperation intention with Home Center Ferreira Costa Company and WINDMILL Import and Export Company and reached the photo electricity cable export cooperation intention with BM Consulting Company.

Due to the small and exquisite appearance and high scientific and technological content, laser light virtual projection keyboard which was shown by the Mianyang Zhongyong Trading Co., Ltd. had become the star product in the show, attracted an endless stream of visitors and reached cooperative intentions with more than 30 professional buyers like Empresarial & T.L., Solid Designer, RWTECH, NCC, ATX Consultora, Martineli Jimonassi & Luciano Advogados Associados, etc. The wig products of Suining Hongli Hair Products Co., Ltd. had won warm praise from the Brazilian customers. Suining Hongli Hair Products Co., Ltd. had reached export intention of human hair raw materials with a local wig manufacturer-LAMARCA Company and reached wig agent intentions with DEFINITY Hair Company and CR Zongshen Fabricadora de Veiculos S/A Company.

Sichuan participates said that the Brazilian economy was developing fast and owned a huge market. Through this exhibition, they had known more about Brazilian market and tested the popularity of their products in the market. And this exhibition had reinforced their confidence of keeping exploring the Latin American market.

### **President Li Gang Participated in the Opening Ceremony of JETRO Chengdu Representative Office and the Japan-China Gateway Event**

On November 28<sup>th</sup>, 2014, invited by JETRO, President Li Gang participated in the opening ceremony of JETRO Chengdu Representative Office and the Japan-China Gateway Event. Chengdu Representative Office is the 8<sup>th</sup> representative office in China and the first representative

office in southwestern region. Deputy Director of Standing Committee of Sichuan Province-Peng Yu had attended the event and delivered a speech. During the forum, President Li Gang made exchanges with the president of JETRO - Isike Hiroyuki, the minister of Japan Embassy in China - Takasima Ryuusuke, the consul general of Japan Consulate-general in Chongqing - Mr. Mitsuoka Hideyuki , and the person in charge of Ito-Yokado and All Nippon Airways Co., Ltd in respective. President Li Gang also extended his congratulation on the establishment of representative office and exchanged his view on strengthening communication, enhancing mutual understanding and promoting the economic and trade cooperation between Sichuan and Japan.

JETRO, established by Japanese government, is committed to promotion of economic and trade investment between Japan and overseas countries and regions. At present, JETRO is headquartered in Tokyo and Osaka and has organizations including Institute of Developing Economies, 37 domestic offices, 75 offices in 55 overseas countries and regions and has established representative offices in Beijing, Shanghai, Guangzhou, Qingdao, Dalian, Wuhan and Hong Kong, etc.