

Official: Private firms urged not to jump on financing bandwagon

By WEI TIAN
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CHINA DAILY

GUIYANG — Private businesses should concentrate on their core business in the manufacturing and service sectors rather than trying to speculate in the capital market as new policies will give them

ECONOMY more support, the head of China's top business association said.

"Many private business owners are straddling the fence at the moment, but I believe they will begin to see brighter prospects as long as they understand the country's macroeconomic policies," said Huang Mengfu, chairman of the All-China Federation of Industry and Commerce, at the association's executive committee conference on Wednesday.

"It's time for large private companies to shift their focus to environmental protection, advanced technologies, and social well-being, as well as move into the western provinces, where the growth rates for the economy and investments will be much higher compared with the coastal region," Huang said.

The government also plans to give more support to small businesses, which employ between 60 and 70 percent of the workforce in China, he said.

"One of the policies might be to support manufacturing and service businesses in the next year, to help whet domestic demand and offset the difficulties many exporters are faced with," Huang said.

"Industries that manufacture goods and provide ser-

vices will remain the pillar of China's economic growth in the coming years. Private businesses should therefore concentrate on those things and on their long-term prospects for development, rather than staking everything on the vicissitudes of the financial market."

Huang's comments came after Vice-Premier Li Keqiang, speaking this past week at a meeting with the National Development and Reform Committee, called for more private capital to be invested into railways, infrastructure and social causes.

Huang said more should be done to encourage private companies to keep their business in the production of goods and provision of services. For a start, the financial industry should be reformed, he said.

"The trouble with Chinese banks is that they are making too much money," he said.

According to Huang, in the first three quarters of 2011, the profits of listed Chinese financial institutions accounted for 50.4 percent of the profits made by all listed companies in the country. The US financial sector, in comparison, only accounts for about 40 percent of all US profits.

The prospect of making so much money has drawn many enterprises other than banks and other traditional lenders into the financing business in China. The value of the loans made by this "shadow banking system" now stands at 11.5 trillion yuan (\$1.8 trillion), according to reports.

If accurate, that figure accounts for more than 10 percent of the loans made by the entire banking system.

Indian solar probe may hurt sector

Possible inquiry follows similar actions by US, European Union

By DU JUAN
CHINA DAILY

BEIJING — If India starts an anti-dumping investigation into Chinese solar products in a month, as recent reports say, that could make the road ahead difficult for the industry following similar probes in the United States and the European Union, according to experts.

TRADE

China is likely to see more trade disputes arise over the energy industry in the future, said Zhang Yujing, president of the China Chamber of Commerce for the Import and Export of Machinery and Electronic Products.

The Ministry of Commerce said on Monday that India may begin in a month to investigate whether China is "dumping" solar cells on its market.

The statement was a sign that a trade dispute between China and the US involving solar-energy products has expanded into India.

However, Reuters reported that the Indian Renewable Energy Development Agency has denied that it plans to start an investigation into such imports.

"China is getting unduly worried about this as it is a massive manufacturing center which feels it may not be able to participate in the Indian market," Debashish Majumdar, chairman and managing director of the Indian Renewable Energy Development Agency, was quoted by Reuters as saying.

Media reported in early



Employees assemble photovoltaic panels at Suntech Power Holdings Co's factory in Wuxi, Jiangsu province. According to experts, various large US and European solar companies have partnerships with Chinese companies and do not support the investigations.

December that the German-company SolarWorld AG, whose US unit petitioned the US government for an investigation into Chinese solar-energy products, is considering calling for a similar investigation in Europe.

The company, reached this week, declined to provide details about its plans.

Industry insiders, though, said the possibility of India starting an investigation poses little risk to Chinese solar companies. Only a small proportion of China's solar products are exported to India, the insiders said.

"India is an emerging market for the solar panel industry and is not a big importer from China," said Gao Hongling, deputy secretary-general of the China

Photovoltaic Industry Alliance. "In the first 10 months of the year, up to 90 percent of China's photovoltaic solar products were exported to the United States and Germany, Belgium and other European countries."

When SolarWorld's US unit called for the investigation into China's alleged practice of dumping and subsidizing solar products, Li Junfeng, secretary-general of the Chinese Renewable Energy Industries Association, and other experts and officials expressed concern that other countries would make a similar move.

According to statistics from CCID ThinkTank, companies in the Chinese photovoltaic-solar industry have seen their profit rates decrease from 139 percent to 20 percent this year.

One-third of those companies have halted production.

"These successive trade disputes are absolutely piling difficulties onto the industry," Gao said.

Faced with more trade disputes, the Chinese government is trying harder to protect domestic companies.

In November, China said it will investigate the support and subsidies the US government gives to the renewable energy industry. That comes after Chinese companies accused US companies of dumping polysilicon, a material used in the production of solar panels, into the Chinese market.

Dow Corning Corp, a major supplier of US polysilicon to China, said a trade war over solar products would put both

countries' economies and the general strength of the solar industry at risk.

The company said China's Commerce Ministry "is not standing idle — they are gearing up for action. It appears they are serious about initiating their own measures in anticipation of the US advocating for trade remedies to be put in place."

According to Li and Gao, various large US and European solar companies have partnerships with Chinese companies and many of them do not support the US investigation.

"No matter how things go, the Chinese government and the companies should take every investigation seriously and should prepare to deal with these issues," Gao said.

hangzhou**special**

Hangzhou's traditional health cures still in vogue today

Herbal pharmacies and massage popular with both tourists and locals

By YE JUN

More than 100 years after its founding, a traditional pharmacy still benefits people in the scenic city of Hangzhou as its principles are passed down and remain in vogue among Chinese people.

It is difficult not to notice four huge Chinese characters on a white wall along 95 Dajingxiang off of Hangzhou's popular Hefangjie tourist street.

Tourists are likely curious about what is behind the 5-meter-tall brush-style Chinese characters that say Hu Qing Yu Tang — or Hu's Qing Yu Medicine Store — but most locals already know it as an imposing residence made of gray tiles and bricks.

Although it looks like one of South China's famous garden homes, the old mansion is actually a traditional Chinese pharmacy that has stood at the same site since 1874.

A stone tablet at the imposing entrance gives a clue to its origins. The pharmacy was founded by Hu Xueyan, arguably China's richest merchant, who was also an important court official in the late Qing Dynasty (1644-1911).

A widespread story about how it all began says Hu bought herbal medicine for his mother, only to find the medicine had gone bad with mildew.



He became so angry that he decided to establish a pharmacy himself. Ten years later, his pharmacy Qing Yu Tang, with his name Hu at the front, became the most influential in Hangzhou. He was dubbed "king of herbal medicine" south of the Yangtze River.

The pharmacy has kept the appearance it had 137 years ago. The main structure is built in courtyard style with two-floor wooden buildings typical of traditional Anhui architecture.

It has beautiful, sophisticated wooden framework, traditional wooden patterns and auspicious carved animals lacquered in gold decorating the top of huge wooden columns.

Visitors continue to be impressed by its architecture and historic feel. The main hall, which serves as both herbal medicine store and reception room, is magnificent and includes pictures of its founder on one wall.

Customers are treated to free cups of herbal tea as they



Hu Qing Yu Tang, a historic herbal pharmacy founded during the late Qing Dynasty (1644-1911), is still operating today, and has even become a popular tourist destination in Hangzhou.

wait for their medicine to be collected from the many small wooden drawers and packed neatly in paper. Nobody looks bored — they have plenty to admire.

Big wooden tablets hanging on a beam show the logo of the shop and let out some of the secrets of its success. One says "medicine is a merciful skill". Another reminds that there is "no discount for authentic medicines".

Hu himself vowed to abstain from cheating, especially because he was dealing in medicine. He also spent a lot on charity, giving out free medicines in times of war.

Cultural heritage

According to the store's assistant manager Sun Tie, it is the best preserved of the shops built during the Qing Dynasty. Its significance in South China is equivalent to Beijing's famed

Tong Ren Tang store in North China.

It is now a national level protected cultural relic. In 2006, "Hu Qing Yu Tang Chinese medicine culture" was included on the list of national intangible cultural heritage.

"It is the most beautiful herbal medicine store in the country," Sun says. "It is also the city's business card for tourism."

Like other herbal stores of its time, Hu Qing Yu Tang had a shop at the front and a workshop in the rear. The front remains a shop today, but the back has been turned into a museum. One part showcases the history of the shop and the development of Chinese herbal medicine in Hangzhou. Another displays samples of herbal medicines.

Unlike other drugstores, not all visitors come to buy medicine. The historic store

is open to tourists and many Hangzhou locals spend their leisure time there as if were a neighborhood park.

"A lot of old people bring their lunch to eat here and then stay until the shop closes," Sun says. "As herbal medicine used to be made inside the shop, people can smell the fragrance from a distance. It seems some old people think it is healthy to sit around Hu Qing Yu Tang."

People say they feel themselves calm down when they get inside such an old Chinese structure, where every corner smells of traditional culture.

Travel agencies have even designed a two-hour visit to the store that includes a demonstration of how to make traditional herbal medicines. A professional Chinese doctor is on hand to explain the process.

Hu Qing Yu Tang has also passed down many of its easy-to-use recipes. The store sells

ready-made herbal combinations for colds, headache, high blood pressure, indigestion, insomnia and even for a fish bone stuck in the throat.

Hu Qing Yu Tang now has four clinics with 150 Chinese medicine doctors and equipment comparable to a provincial-level hospital.

Assistant manager Sun notes that good doctors, the herbal medicine culture, traditional Chinese techniques and health food meals are four important legacies from the original store.

In the same area of Hangzhou, a total of five traditional Chinese herbal medicine stores all have a long tradition.

"Traditional Chinese medicine was inherited very well" in the city, Sun said. "It is available and winning much acclaim."

Health club

Hehe Health Club, an establishment providing Chinese traditional style massage, spa and tea, is located at 206 Nanshan Lu, Shangcheng district. The stylish two-floor villa is a city-level protected building.

It is the former residence of nationally famed engineer Mao Yisheng who designed and built the dual-use Qiantang River highway and railroad bridge in the 1930s. It is still in use today.

The interior décor of Hehe Health Club offers a range of traditional elements: tea tables, fishpond, Buddhist statues and mosaic lotus flowers.

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Before the spa or massage, a qualified health consultant determines each person's physical condition. Questions can include queries about such things as particularly cold hands or feet, excessive sweat in summer or a hot temper. Answers help the masseuse decide the emphasis of the massage, which is a combination of acupuncture, pressure points and relaxation.

Jiang said there are many health centers in Hangzhou, but her club tries to combine cultural concepts with well-being. Its masseuses are graduates of qualified Chinese medicine schools and experienced in the principles of acupuncture.

Guang Xing Tang, a clinic sponsored by Hangzhou Traditional Chinese Medicine Hospital, is also located in an old residence. Services at its Santai Shanzhuang branch include acupuncture, *guasha*, medicinal foods, health consultation and foot massage.

Tourists can relax with a cup of rejuvenating herbal tea and have a massage to relieve the fatigue of travel.

Both Guang Xing Tang and Hu Qing Yu Tang operate health food restaurants with herbal recipes and foods for people with particular health conditions or others who just want a nutritious meal.

According to Kong Xiaomin, director of the Shanzhuang branch, the Hangzhou city government has considered traditional health operations an industry since 2009.

"Based on traditional Chinese medicine principles, we can give people helpful advice on life, food and exercise," Kong said. "I'm certain the concept of traditional health preservation has a great market potential."