

BUSINESS

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LeEco committed to Nevada factory

Company says the \$1b plant to be built in stages starting with a smaller facility

By PAUL WELITZKIN in New York and MASI in Beijing

The Chinese-funded luxury electric car startup Faraday Future said on Friday that it remains committed to its \$1 billion plant plan in Nevada, but will build the factory in phases and start with a much smaller facility.

Faraday, an affiliate of Beijing-based internet major LeEco, said in a statement to China Daily that it is adopting a multi-stage manufacturing strategy for its 27.87-hectare auto plant.

Qiong Liu, city manager of North Las Vegas, said on Thursday Faraday will build a

6.04-hectare facility later this year. "I don't think they are downsizing but instead they will construct the plant in phases," Liu said.

According to Liu, Faraday is completing engineering work on the factory and it aims to have the shell of the building ready by the end of August and then have the rest of the building done by the end of October.

Faraday expects to start testing a vehicle later this year and to "start production in 2018", she added.

Faraday said it is scheduled to start constructing the second stage of the plant later this year. A cash crunch at LeEco and

Faraday's missed payments to a contractor working on the factory last year spurred skepticism about the company. In November, Nevada State Treasurer Dan Schwartz expressed concerns about Faraday's ability to complete the project.

In 2015, Nevada lawmakers approved an incentive package valued at about \$215 million for the plant. Liu said the incentives are structured so that they won't be paid out until and unless the company meets certain requirements.

Faraday unveiled its first production vehicle called the FF91 at the Consumer Electronics Show in Las Vegas in January.

Eric Paul Dennis of the Center for Automotive Research in Ann Arbor, Michigan, said that Faraday is becoming more realistic about what it can accomplish. "Their initial plans to build a mega-factory and introduce multiple models on a short time-table were very risky and probably impossible," he wrote in an email.

"Their recent restructuring makes me think they are beginning to mature as a company. Starting small, focusing on quality and responding to the market reception of one or two models is a better approach to establishing a viable auto operation," Dennis said.

Contact the writers through masi@chinadaily.com.cn



Workers cut steel plates at an offshore oil-drilling platform near Qingdao, Shandong province. YU FANGPING / FOR CHINA DAILY

US finds on final steel dumping margins

By REUTERS and CHINA DAILY

The US Commerce Department on Thursday stepped closer to placing duties on imports of stainless steel sheet and strip from China, issuing a final determination that the products were being subsidized and dumped in the US market at below fair value.

The department said it affirmed antidumping duties ranging from 63.86 percent to 76.64 percent on the imports, and an anti-subsidy rate of 75.60 percent for mandatory respondent Shanxi Taigang Stainless Steel Co Ltd.

The duties will go into effect for five years if the US International Trade Commis-

sion subsequently affirms its earlier finding that US producers were being harmed.

AK Steel Corp, Allegheny Ludlum IPO, North American Stainless and Outokumpu Stainless USA had brought the case seeking relief. Imports of the products from China were valued at an estimated \$302 million in 2015, according to the department.

The US International Trade Commission is scheduled to make its final determination of injury to US producers on or about Mar 20.

In December, China filed a complaint with the World Trade Organization arguing against the refusal by the EU and the US to treat China as a market economy.

\$302
million

value of stainless steel product imports from China in 2015

"The EU has continued to use the unfair and unreasonable surrogate country method and seriously harm the interests of Chinese enterprises,"

trade remedy and investigation bureau chief of the Ministry of Commerce Wang Hejun said in a statement.

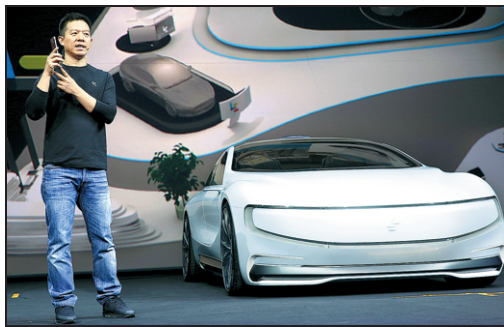
Chen Xin, director of the business department of the Chinese Academy of Social Sciences' Institute of European

Studies, said that China has been actively cutting back steel capacity in recent years to ease the global overcapacity.

"China's steel exports are competitive in quality and price because of the scale of economy," Chen said.

Meanwhile, the government has been making efforts to shut down outdated furnaces throughout the country to upgrade the steel industry.

The short-term goal of China's capacity reduction is to cut crude steel capacity by 15 percent, or 27 million tons, within three years starting from 2016, according to the National Development and Reform Commission. The capacity reduction goal of 45 million tons for 2016 was reached in October.



Jia Yueting, head of Le Holdings Co Ltd, gestures as he unveils an all-electric battery concept car during a ceremony in Beijing.

REUTERS

Briefly

Assembly to start A320neo

Airbus (Tianjin) Final Assembly Co Ltd will begin assembly of its first Airbus A320neo in July and deliver it in September. The Airbus A320 final assembly line, a joint venture involving Airbus, Aviation Industry Corporation of China and the Tianjin free trade zone, was founded in Tianjin in 2007. It started production in September 2008, and has delivered more than 300 A320 aircraft.

Producer prices soar in December

The industrial producer prices across the 19-country eurozone soared due to energy price hiking in December, official data showed. The single currency zone saw the figure rise by 0.7 percent monthly, higher than the 0.3 percent in November.

Spain jobless rate rises in January

The number of Spanish people registered as unemployed in January rose by 57,257 people to 3.7 million, official data revealed. That meant a 1.55-percentage-point increase in the unemployment rate from the previous month, according to figures released by the Spanish ministry of employment and social security.

XINHUA

WeChat's hongbao usage soars during the Spring Festival

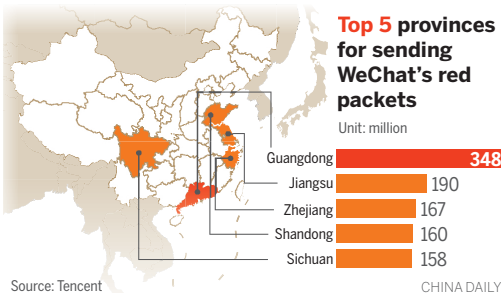
By SHI JING in Shanghai shijing@chinadaily.com.cn

After the past three years of growth, instant messenger WeChat's red packets — or hongbao in Chinese — have become one of the most prevalent and popular aspects of the Spring Festival.

According to statistics provided by Tencent Holdings Ltd, the provider of the WeChat services, on Thursday, 46 billion red packets were sent and received during the six days from lunar New Year's Eve to the fifth day of the first lunar month (Jan 27 to Feb 1), up 43.3 percent year-on-year.

The Lunar New Year's Eve was the peak for the red packets, when a total of 14.2 billion red packets were sent and received on that day, up 75.7 percent year-on-year. A man in Shenzhen sent a record high 2,125 red packets on the day, while another man in Binzhou in eastern China's Shandong province got the most red packets, receiving 10,069 red envelopes.

People in Guangdong were the most generous, sending and receiving 5.84 billion red packets during the surveyed six days. Jiangsu ranked the second on the list, with 2.93 billion red packets, followed



by Shandong, Hebei and Zhejiang.

WeChat found that the younger generations, those born in the 1980s and the 1990s, make up the majority of hongbao senders.

Tencent did not launch any advance marketing campaign for this year's red packets activity.

WeChat President Zhang Xiaolong said it should not directly be involved in too many festive occasions because it is essentially a tool.

Zhang also said that the mission of promoting

WeChat Spring Festival red packets had already been completed in the past few years, including working with the Spring Festival gala show of the China Central Television.

Apart from the red packets, WeChat stickers especially designed for the Spring Festival and video calls, have also become the two major ways to express people's wishes to their friends and relatives. During the six surveyed days, a total of 16 billion WeChat stickers were sent with blessings.

Guizhou firm pumps funds to aid Indian state

By CHEN MEILING in Beijing and YANG JUN in Guiyang

A company based in the province of Guizhou said it has invested 30 million yuan (\$4.37 million) in 11 Indian projects to improve key infrastructure in the southeastern state of Andhra Pradesh.

The projects include the construction of power and gas plants, information communications facilities, regional

refrigeration and emergency management, said Zhang Zhao, general director of Guizhou Maritime Silk Road International Investment Corp.

The company is also building a square, a bridge, a water plant, a power station, an industrial park and residential areas in Andhra Pradesh, work on which began last year, he said.

Guizhou is constructing an inland open economic experimental zone in its capital Gui-

yang, approved by the State Council in August. "There are opportunities to adopt in Guiyang infrastructure solutions developed in the slums and amid the messy electrical cable systems of the streets of Andhra Pradesh," Zhang said.

India's strengths in big data, healthcare and software industries could benefit Guizhou, he added.

On Jan 6, India's biggest IT educational company — the

National Institute of Information Technology Ltd — opened a training center in Guiyang for big data professionals. In addition, Hyderabad-based Aurobindo Pharma Ltd plans to build pharmaceutical factories in Guizhou with an estimated turnover of 2 billion yuan by 2025.

Contact the writers through chenmeiling@chinadaily.com.cn

JD confirms plans for banking license

By FAN FEIFEI fanfeifei@chinadaily.com.cn

JD.com Inc, China's second-biggest e-commerce player, confirmed on Friday it is carrying out work related to a banking license, in a move that would see it joining its tech counterparts in offering banking services.

70 percent

CITIC's stake in Baixin

The confirmation follows recent media reports which said the internet giant is willing to cooperate with a domestic traditional bank to open a direct bank, engaging in direct banking business as a separate legal entity.

A direct bank is a bank without any branch network that offers its services remotely via online banking and telephone banking and may also provide access via ATMs (often through inter-bank network alliances), mail and mobile.

JD on Friday did not deny the reports and would not disclose details.

A spokesperson told China Daily that it is carrying out work related to a bank license, to align with its strategic planning, and to meet its business development

needs. It is not the first time that internet companies have engaged in direct online banking in China. In January, internet search provider Baidu Inc and China CITIC Bank announced they had received approval from the China Banking Regulatory Commission in relation to the establishment of Baixin Bank, an online direct bank both companies had invested in.

CITIC will hold a 70 percent stake in Baixin and Baidu will have a 30 percent share.

In 2015, Alibaba Group Holding Ltd's financial arm, Ant Financial Services Group, launched an online private bank called MYbank, which focuses on providing financial services to small and micro businesses and young entrepreneurs.

Internet giant Tencent Holdings Ltd also launched an online bank called WeBank.

Dong Ximiao, executive president of the Hengfeng Bank Institute, said most of the domestic direct banks exist as an internal department of a bank, some even as a secondary unit affiliated to the e-banking department or personal finance department.

However, a direct bank should be a separate legal entity according to international practice, Dong said.

Snap Inc files for \$3b initial public offering

By BLOOMBERG

Snap Inc, the maker of the disappearing photo app Snapchat, filed for an initial public offering, the first social-media

company to do so since Twitter Inc more than three years ago.

The company filed with an initial size of \$3 billion, a placeholder amount used to calculate fees that may

change. Snap plans to raise as much as \$4 billion in the IPO, people familiar with the matter have said, for a market value of as much as \$25 billion.

The company's net loss wid-

ened to \$515 million in 2016, on revenue of \$404 million, according to the prospectus filed on Thursday.

Snapchat has more than 158 million daily active users, the

prospectus shows. Quarterly average revenue per user on a global basis climbed to \$1.05 in the fourth quarter of 2016, compared with 31 cents in the fourth quarter of 2015.

Snap plans to use proceeds from the offering for general corporate purposes, which may include acquisitions,

the filing shows.

The company said it relies on Alphabet Inc's Google for most of its computing, storage and bandwidth, and any disruptions to Google's cloud functioning could "seriously" hurt its business. Snap said it plans to spend \$2 billion with Alphabet over the next five

years to use Google's cloud-computing services.

It also noted that because Snapchat is used primarily on mobile devices, it relies on Google's Android operating system and Apple Inc's operating system, over which it has no control. Snap also competes with those companies.