

What's news



GOVTS & POLICIES

Mainland leads Chile wine buyers

Chilean wine exports reached \$215.9 million in January and February, representing a 12.4 percent rise on 2016, with China topping the list of export destinations. According to the latest figures from the Ministry of Agriculture on Wednesday, exports reached 68.2 million liters, 11.9 percent more than the same period last year. China was the main market for exports during the first two months of the year, with exports worth \$28.1 million. The US came in second place with \$27.4 million and Japan in third with \$25.5 million.

Investment in TMTs reaches new high

The second half of 2016 saw investment volume from private equity and venture capital in telecommunications, media and technology in China reach its highest level since 2012, according to accounting firm PricewaterhouseCoopers. According to a report by the firm released on Wednesday, 1,478 private equity and venture capital deals in the TMT industry, with a total value of \$25.02 billion, were recorded in the second half of 2016. They included 33 deals exceeding \$100 million in the third quarter, a record high. Investment values dropped, however, as investors adopted a rational response to the market.

Cross-border RMB settlement rises

Cross-border renminbi settlement grew 44-fold to 220 billion yuan (\$32 billion) in northwest China's Xinjiang Uygur autonomous region

since the region launched the business in 2010. As of February, Xinjiang has conducted cross-border RMB settlement with 86 countries and regions. Overseas banks and social organizations have opened 358 RMB settlement accounts, according to the Urumqi branch of the People's Bank of China, the central bank. The total amount of RMB settlement under current accounts is 185 billion yuan while the amount under capital accounts was more than 42 billion yuan. Analysts said the vigorous development of the cross-border RMB settlement in Xinjiang will help more local enterprises expand abroad.

COMPANIES & MARKETS
ICBC reports flat 2016 growth

Industrial and Commercial Bank of China Ltd, the world's largest lender, reported its slowest rate of yearly growth in over a decade as successive interest rate cuts continued to weigh on margins. The results came a day after China's three other leading banks reported modest profit growth, as they battle the lowest net interest margins since at least 2011 amid a slowing economy. ICBC on Thursday reported a 0.4 percent increase in 2016 net profit, raking in 278.25 billion yuan (\$40.39 billion).

Interest margins to stabilize in 2017

China Construction Bank Corp, the country's second-biggest lender by assets, expects its 2017 net interest margin to narrow only slight-

Flying high



A man tries out a jetpack at an international trade fair held in Zhengzhou, capital of Henan province. The event, which concludes on Friday, attracted more than 7,300 exhibitors from home and abroad. XINHUA

ly over the course of the year, the bank said on Thursday. The bank's net interest margin will drop within 10 bps compared to the end of the fourth quarter of last year, Xu Yiming, the bank's chief financial officer, told a news briefing. The lender's debt-to-equity swaps program was set to exceed 300 billion yuan (\$43.5 billion) by the end of the first quarter, bank president Wang Zuji told reporters. CCB on Wednesday reported a slightly higher 2016 net profit, amid a squeeze on bank margins. Fourth-quarter profit increased by 2.8 percent to 37.63 billion yuan from 36.6 billion yuan a year earlier.

China Southern profits jump 30%

China Southern Airlines Co Ltd on Thursday reported a 29.9 percent rise in 2016 net profit, below analysts' expectations, as a weaker yuan put a dent on strong domestic demand for overseas travel. China's largest carrier by passenger numbers reported profits attributable to shareholders of 5.06 billion yuan (\$734.50 million), its strongest performance since 2011. Analysts polled by Reuters had forecast reported net income of 5.47 billion yuan. Revenue rose 2.95 percent year-on-year to 114.8 billion yuan, against a 4.75 percent rise in passenger traffic, it said.

PetroChina 2016 gain sinks 78%

China's largest oil and gas producer, PetroChina, on Thursday reported a drop of 78 percent in 2016 annual net profit, to its lowest level since at least 2011, as it was hit by lower prices for crude oil and natural gas. The shrinking profits posted by China's State oil and gas producers for last year have highlighted their growing challenges from falling output at aging wells and excess supply in domestic fuel oil markets. PetroChina's net profit sank to 7.86 billion yuan (\$1.14 billion) from 35.7 billion yuan in 2015, while revenue fell 6.3 percent to 1.62 trillion yuan, based on IFRS accounting standards.

Guiyang to host big data industry expo

The 2017 China International Big Data Industry Exposition will be held on May 26-29 at the Guiyang International Convention Center in Guizhou province. More than 400 enterprises will take part in the event, which covers an exhibition area of 60,000 square meters. The

expo will be jointly hosted by the National Development and Reform Commission, the Cyberspace Administration of China, the Ministry of Industry and Information Technology and the provincial government of Guizhou.



AROUND THE WORLD

NSW commitments to social housing

The New South Wales state government committed A\$8 million (\$6.132 million) on Thursday to improve social housing and community facilities for disadvantaged Australians. The Social Housing Community Improvement Fund works with local organizations to build and refurbish facilities in government-funded housing areas. New South Wales Minister for Social Housing, Pru Goward, said she believes the one-off grants of between A\$2,000-50,000 will promote better integra-

tion between social housing properties and the local community.

Vietnam's Q1 farm trade increases

Vietnam's farm exports were estimated at \$7.6 billion in the first quarter of 2017, up 7.6 percent year-on-year, according to the country's Ministry of Agriculture and Rural Development on Wednesday. The export value of main agricultural products increased 13.5 percent against the same period last year to reached \$4.2 billion, accounting for over 55 percent of the total farm exports revenue in Q1. Meanwhile, forestry and aquatic exports rose to \$1.8 billion and \$1.5 billion, up 12.4 percent and 3.6 percent year-on-year, respectively.

Grapefruit exports benefit farmers

Vietnam's Mekong Delta farmers have benefited greatly from exporting grapefruits to China, according to local traders. Green-skin grapefruits from Vietnam's southern Mekong Delta have been in great demand in the Chinese market, Dam Van Hung, a fruit trader in the southern Ben Tre province, said, quoted in a local newspaper Sai Gon Giai Phong on Wednesday. Hung said that recently, many Chinese partners have continuously urged for purchasing unlimited volumes of green-skin grapefruits. According to Hung, the No 1 green-skin grapefruit is now sold at a relatively high price of some 55,000 Vietnamese dong (\$2.44) per kilo. The export price of the fruit to China is even higher.

S. Korea household net worth drops

The net worth among South Korean households dropped last year as they rushed to buy new homes with borrowed money amid record-low interest rates, central bank data showed on Wednesday. The net worth among households and non-profit organizations reached 70.52 trillion won (\$63.25 billion) in 2016, down 23.73 trillion won, or 25.2 percent, from the previous year, Bank of Korea data showed.

CHINA DAILY-AGENCIES

Iowa expects sound trade relationship with China

CHICAGO — Maintaining a good and normal trade relationship between China and the United States will benefit both countries, Iowa officials have told Xinhua in an exclusive interview.

"It's clearly a two-way trade. From an agriculture perspective, China is important to us," said Kirk Leeds, chief executive officer of Iowa Soybean Association.

Iowa, a major agricultural state located in the US Midwest, is the second-largest soybean producer among US states in 2016, and exports 60 percent of its soybean production, while China buys about 50 to 60 percent of the world's soybean exports, undoubtedly the largest customer on the world's soybean market.

Iowa knotted its sister state relationship with China's Hebei province in 1983. Since then, the state has interacted extensively with China in the fields of trade, education, culture and tourism.

"China buys a lot of US soybeans," Kirk told Xinhua. If China does not buy soybeans ... and more soybean stations will have to pull down the prices, "there will be excessive soybeans in the market, and that will affect our farmers," Kirk said.

"The soybean industry in Iowa recognizes that China is a major customer. Any disruptions in the trade relationship

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Kirk Leeds, chief executive officer of Iowa Soybean Association

have serious consequences for American agriculture and soybean industry specifically," Kirk said.

Vice versa, "China needs US soybeans," said Kirk, as the quality and the logistics are better. "Any (trade) disruptions will be unfortunate, neither of us wins in trade war."

Kenneth Quinn, president of the World Food Prize Foundation, holds a similar view, saying "trade is absolutely critical, particularly agriculture and food trade."

Two soybean contracts have been signed between China and the US in the last five years in the building of the World Food Prize Foundation headquartered in Des Moines, the capital of Iowa, one for \$4 billion and another for \$2 billion.

Kenneth reminded people of the Smoot-Hawley tariff in

the 1930s. The tariff was originally meant to promote jobs and counter the effects of the depression by imposing big taxes on imports into the US, but it depressed global trade and made the depression worse. "Anything that would impact trade will only backfire and have a net effect depressing the American economy," Kenneth said.

Rick Kimberley, president of Kimberley Farms Inc, said he believes that US President Trump knows how important agriculture is to both the US and China. "That would much hurt Iowa and the United States without trade of agricultural products," Kimberley said in an interview with Xinhua.

"I think (if) there's a little give and take on both sides... we might even have better trade together," Kimberley said.

"Iowa as a state, we benefit from trade because of our agricultural products, we understand how important it is, even more than some other states that maybe don't sell as much to China," Dan Stein, vice-president of CBI Bank and Trust, said.

Hopkins, former mayor of Muscatine, said that China is a big player in world trade and "I don't think that our President Trump will do anything to disrupt that."

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