Troubled Sinovel Wind to put workers on leave

Another listed company,

By XIE YU in Shanghai xieyu@chinadaily.com.cn

Sinovel Wind Group Co, a large maker of wind power equipment, plans to put 350 workers on leave starting on Monday

The decision comes in response to a sales slump in the industry and a JOBS tightening of government policies related to wind power, according to a company announcement.

The 350 employees, who work at bases in Beijing, Yancheng, Jiangsu province, and other places, will receive one month's salary. For the remainder of the leave, they will see their pay cut to 80 percent of the monthly minimum wage set by the Beijing government, which is 1,260 yuan (\$202).

Sinovel officials did not say when the company's operations will resume

Earlier media reports said most of the workers are employed in the company's research and development department.

In the third quarter, Sinovel recorded a loss of 280 million yuan, down from the 242 million yuan in profit in the same period a year earlier. Its thirdquarter operating income, meanwhile, decreased by 82 percent year-on-year, falling to 548 million vuan. The company warned it might report an annual loss for 2012.

Media reports said in May that Sinovel had abandoned plans to recruit about 350 graduates. The company had 2,873 employees at the end of 2011.

Sinovel is not the only wind power company to find itself in a tough situation.

the Guangdong province-based Ming Yang Wind Power Group Ltd, reported it had 787 million yuan in operating revenue from January to September, a drop of 58.6 percent year-on-year. And the Xinjiang-based Goldwind Science and Technology Co Ltd also reported its first single-quarter loss of 32.4 million yuan during the third quarter.

From January to September, listed Chinese wind power companies saw their income plummet by more than 30 percent year-on-year, according to company statements

"The global economic slowdown has dented investment in wind power," Liu Yuanrui, a new-energy analyst with Changjiang Securities, wrote in a note.

"Competition between industry players is so fierce nowadays. Their biggest hope lies in a breakthrough in getting wind power connected to the grid. Otherwise, the situation will remain difficult."

According to a wind power plan released by the State Council, China is expected to have the installed capacity to generate 100 million kilowatts of wind power by 2015. Of that, 500 kW is to come from offshore wind farms.

The country already had more than 62 million kW of installed generating capac-ity by the end of 2011, an increase of 39.4 percent yearon-year. About 28 percent of that has sat unused, said the Chinese Wind Energy Association.

Wang Haisheng, a newenergy analyst with Huatai Securities Co Ltd, said the

country is becoming stricter about granting approvals for wind farms. He noted that much of the industry's generating capacity now lies idle, which has weighed on companies' profits.

Meanwhile, the US and Europe, struggling with their stalled economies, have both reduced the budget subsidies offered to the wind power industry, a decision that has also affected Chinese companies' exports.

China, the world's largest market for wind power, will see its installed capacity expand at a slower rate up to and after 2015, according to a report by the Global Wind Energy Council, which provides a forum for the discussion of matters related to wind energy.

The phenomenal growth in the Chinese wind energy market has outstripped the ability of the grid and system operators to manage it," the report said, adding that a large amount of wind power was lost last year because the grid could not absorb it.

China has established a subsidy equal to 600 yuan for every kilowatt of installed capacity that domestic makers of wind turbines add. Chinese authorities have

been committed to developing wind power as China tries to move away from using fossil fuels and reduce its emissions of carbon dioxide by 17 percent for each unit of its GDP by 2015.

China's on-grid wind power capacity is expected to reach 100 gigawatts by 2015 and 200 gigawatts by 2020, according to the State Grid Corp of China, the country's largest utility company.

Per capita income rises faster than GDP growth

Experts say positive figures reflect recovery in household consumption

By ZHENG YANGPENG and CALXIAO

In almost all regions of China, urban disposable income has grown faster than GDP during the first nine months, indicating that the Chinese population continues to reap the benefits of the country's

economic growth. According to the DATA latest figures, released

over the past month individually by local statistics bureaus, 26 out of 28 regions said that per capita disposable income registered faster growth than GDP growth in the first three quarters of the year.

The largest margin was in Hainan province, where urban disposable income increased by 14 percent, while GDP grew by 8.4 percent.

It was followed by Guangdong province, where disposable income grew by 12.8 percent, while GDP grew by 7.9 percent.

The two exceptions were Chongqing, where income growth equaled economic growth, and Tianjin, where economic growth beat income growth by 3.6 percentage points.

Nationally, the urban income of 22 regions outgrew the nation's average of 13 percent.

According to other figures from the National Bureau of Statistics, average urban income across the country hit 18,427 yuan (\$2,956) in the first three quarters.

winespecial

Experts said they viewed the latest figures as positive, and that they echoed the goals set out in the report of the 18th National Congress of the Communist Party of China. According to the report, China's per capita income for both urban and rural resi-dents should be doubled by 2020.

Looking back over the past three decades, Chinese incomes have increased by an average of less than 8 percent a year, lagging behind average GDP growth.

Scholars and policymakers also continue to point out that they remain concerned that over the past 20 years, household incomes have not benefited as much from the country's economic success as the corporate and State sectors, with the gap between the urban and rural populations continuing to widen.

The debate has given rise to calls for further reform of the current system of income distribution

Last month, the State Council promised to draft a plan aimed at expanding the wealth of the middle classes and raising the incomes of those considered poor. But there has been no detail as yet of how this can be realized.

A recent study by the China Household Finance Survey at Southwestern University of Finance and Economics found that the top 10 percent of Chinese households accounted for 57 percent of

total income and 85 percent of total assets - a concentration level of income that can only be found in some African countries, such as South Africa and Seychelles.

"The striking inequality

2012 Q1-Q3 DISPOSABLE INCOME

Annual per capita disposable income Y-o-Y GDF Y-o-Y growth

(yuan)		rate (%)	growth rate (%)
Shanghai	30,205	11.2	7.4
Beijing	26,948	11.5	7.5
Zhejiang	26,682	11.7	7.7
Guangdong	22,949	12.8	7.9
Jiangsu	22,619	13.8	10.1
Fujian	21,400	13.3	11.4
Tianjin	21,358	10.3	13.9
Shandong	18,948	13.3	9.7
Liaoning	17,378	14.0	9.3
Inner Mongolia 17,234		14.2	11.6
Source: Local statistic	cs bureaus		CHINA DAILY

in income levels among Chi-

nese is the fundamental rea-

son behind China's depressed

consumption," said Gan Li,

However, Li Daokui, direc-

tor of the Center for China

in the World Economy at

Tsinghua University, revealed

his own research over the

weekend, which showed that

China's economy has actually

showed signs of a rebalancing,

with a U-shaped recovery in

household consumption com-

long slump in the consump-

tion to GDP ratio, the indica-

tor rebounded from 36 per-

cent in 2007 to 41.6 percent

in 2011, deviating from the

official data of 33.5 percent in

2011, which he said contained

are various ways of raising res-

idential incomes and boosting

Gan says the key is to

improve the incomes of the

He added that what Chi-

na needs is a plan similar in

nature to The Great Society -

the ambitious social program

introduced in the US in the

late 1960s by President Lyn-

don Johnson, which aimed to

no tax increases are needed.

"However, in China's case

help people out of poverty.

lowest-earning households.

Economists suggest there

significant systematic bias.

Li's study found that after a

who led the study.

pared to GDP.

consumption.

But the government does need to change its spending prior-

ity. "For example, action could be taken on medical insurance. Each yuan paid on medical insurance can bring a 3 yuan increase in consumption," said Gan.

Justin Yifu Lin, a former chief economist and senior vice-president at the World Bank, said over the weekend at the Financial Street Forum in Beijing that China should give more support to its laborintensive industries by raising income levels.

He said China still has the potential to grow at 8 percent a year for 20 years, but added: "We need to develop a financial system centered on regional and small and medium-sized financial institutions.

"They provide funds and services to companies in labor intensive sectors," adding that interest rates should be liberalized so that public depositors can gain better returns.

Lin also said that removing protection and subsidies for State-owned companies in capital-intensive sectors is vital to improving income distribution.

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Strong UK sales for Changyu's Jiebaina wine

By WANG QIAN wangqian@chinadaily.com.cn

Jiebaina Dry Red Wine, a globally competitive product from China's largest winery Changyu, is grabbing increasing attention in the United

Kingdom with its unique oriental flavor and top quality. In mid-August, Changyu Jiebaina hit shelves of Waitrose, the sixth-largest grocery retailer in the UK, retailing at 9.9 pounds (\$16.2).

The wine described as "a spicy, aromatic and juicy red" has since become a hot-seller at the more than 200 Waitrose supermarkets across the coun-

"As interest in the Chinese wine industry continues to grow, we scoured the country to find exciting wines and were particularly impressed by Changyu's, said Katie Mollet, a senior purchasing manager Changyu Jiebaina wine is now on sale at more than 3,000 outlets in Europe. at Waitrose. It's the first time for us to sell "I am glad we have made a good start to show that China-China-made wines," she said. "Obviously, we made the right made wine is capable of rivalchoice, as more than 400 cases ing the world's best," he said.



Training grants proposed to address pilot shortage

By WANG WEN ngwen@chinadaily.com.cn

The civil aviation authority will offer 120,000 yuan (\$19,240) in grants for general aviation pilot training.

With pilots in short supply across the general aviation industry, the Civil Aviation Administration

AVIATION of China has included the grants in the draft of regula-

tions to support the industry, said Gao Yuanyang, direc-

It's very, very difficult to recruit pilots ... The cost of hiring a pilot is almost as high as what we pay for the aircraft." 7HAO WEI

ASSISTANT PRESIDENT OF JING CHENG GROUP

pilots

the number of general aviation

pilots currently working in China, with another 10,000 still needed

said earlier this year that only

about 6,000 pilots are working

in the industry, and more than

half of them are studying or

The general aviation indus-

try needs more than 10,000

pilots, and the demand will

continue growing as the

industry develops, some busi-

Yunnan Jing Cheng Group,

a privately owned enterprise

based in Ruili, Yunnan prov-

ince, is working on recruiting

crews now, since the group

is building helicopters and

"It's very, very difficult to recruit pilots," said Zhao

Wei, assistant president of

teaching in schools.

ness insiders said.

needs operators.

Jing Cheng Group. According to the authority's requirement, the group

needs at least 10 pilots for its two helicopters, which will be delivered by the end of 2013. The group is currently looking for five pilots and is offer-

ing an attractive salary and benefits package, Zhao said. "The cost of hiring a pilot is

almost as high as what we pay for the aircraft," he added. In order to cope with the lack of pilots, some operators have started to build their own

Contact writers at zhengyangpeng@chinadaily.com.cn and

of the wine have been sold over the past week alone."

A supplier of wines and spirits to the British royal family for a decade, Waitrose is also the first UK super-market chain stock wine from China.

Waitrose is proud to be leading the way for Chinese wine to grow in popularity in Great Britain, and we think our customers also enjoy this voyage of discovery with us," said Mollet.

Laurenz Moser, managing director of TxB International Fine Wines, Changyu's biggest distributor in Europe, said "we always view the UK as one of our important markets due to its rich wine-drinking culture and large demand for imported wines".

Ensured quality

But it is by no means an easy task for Changyu to win over discerning European consumers.

The Europe Union has very strict standards for imported products. Wine shipped to its markets must be first sent to internationally recognized labs, where it is thoroughly checked for 55 safety and quality standards, including heavy metals and pesticide residue. Distributors and import agencies also face punishment if the product is found to have quality problems, which means Moser has to visit Changyu regularly to help ensure the quality.

Last September, Moser and

other distributors from Germany and Belgium made an inspection of Changyu's vinevards and production sites in Yantai, Ningxia, Xinjiang and Shaanxi.

"We were all impressed by Changyu's management of its grape planting areas and efforts in quality control. Actually, Changyu has been doing a great job since our cooperation began in 2005," Moser said.

According to Zhou Hongjiang, general manager of Changyu, the company has created a comprehensive quality testing system. Before it buys grapes, the company has random samples taken from all the vineyards and sent to its technical center. Only those that meet all the safety standards qualify for wine production.

"We have exported wines to 28 countries and regions since

2005, 14 of them European countries including Germany and France. None of the products failed to meet quality standards," Zhou said.

Besides top quality, Changyu Jiebaina also features pleasant flavor. Wine critic Jancis Robinson gave high marks to the

wine at a recent tasting. "I was intrigued when I tasted a sample of Changyu Jiebaina and found there was not a trace of greenness. It can compete well with French wines," said Robinson.

It was rated as one of the world's top 30 wine brands during the 2008 Salon International de l'Alimentation, a food and drink expo in France. It is now on sale in more than 3,000 supermarkets, shops, five-star hotels across Europe and served in the first-class cabins of Germany's Lufthansa Airlines.

tor of the General Aviation Industry Research Center of Beihang University.

The regulations, which also include grants for airport building and to general aviation operators, are expected to be released by the end of this year, Gao said.

"The authority is already collecting data from general aviation operators, since the grants will be provided according to their flight hours," he said.

The lack of pilots is one of the main problems that limit the general aviation's development in China, some business insiders said.

China's general aviation fleet increased to 1,154 aircraft in 2011, but about onethird of the aircraft cannot fly because of the shortage of pilots, Gao said.

Chen Guangcheng, deputy director of the CAAC's general aviation division in the flight standards department, training programs.

"We are preparing for our own pilot training school, and it will be an important business direction in the future," said Rong Weiguo, deputy general manager of the Zhuhai Helicopter Branch of China Southern Airlines Company Ltd.

The helicopter operator, which mainly works on offshore oilfields, plans to train 20 to 30 pilots at the start of the program, Rong said

AVIC International Holding Corp, a subsidiary of Aviation Industry Corp Group of China, opened two training schools — one in South Africa and the other in China — this year, said Fu Yuming, deputy general manager of AVIC International.

The schools will train 100 pilots for both general aviation and commercial aviation in the first semester, and the number will continue to grow, he said.

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