

# Business ethics plan to raise consumer confidence

By **LI JIABAO**  
lijiabao@chinadaily.com.cn

The Ministry of Commerce has started a one-year pilot program to promote a sound business culture in 10 cities to help boost consumer confidence, officials said on Thursday.

"At present, a key impediment to domestic consumption growth is that businesses credibility falls beneath the public's expectations, and residents cannot buy goods at ease," Wen Zaixing, director of the ministry's department of market supervision, said at a news briefing.

The ministry started the one-year pilot program on Monday in 10 cities, including Beijing, Shanghai and Tianjin. The program, mean to ensure the quality of products and services, will be extended to the whole country after the trial, according to the ministry.

"The pilot is set to encourage enterprises to follow customer-oriented ideas and improve business environment, which will raise consumer confidence and the quality of life and thus boost domestic consumption," Wen said.

China's 12th Five-Year Plan (2011-15) called for a long-term mechanism for expanding domestic consumption and a coordination of consumption, investment and exports to create a balanced economy.

"Expanding domestic consumption has become the top priority of China's economic development," Wen said.

The pilot program will improve product quality, especially that of food and medicine. Enterprises are urged to strengthen quality control through better management of invoices, receipts and certificates. Service providers are called on to raise the quality of their services through staff training and management of standards. The ministry will encourage enterprises to build brands by improving the quality of goods and services.

"What we plan to do is to promote the business culture of honesty. Enterprises are encouraged to discipline themselves rather than be overseen by governmental authorities," Wen said.

"Establishing a good business culture is more important than imposing government punishment," said Xu Wei, a researcher from the China Center for International Economic Exchanges.

China has more than 20 million enterprises, 99 percent of which are small and medium-sized, in the wholesale and retail, accommodation and catering, life and production industries.

"A lack of business credibility will lower consumers' willingness to buy and indirectly affect the enterprises' operations by impeding production," Xu said.

"The move will probably have no direct influence on expanding domestic consumption, but it will certainly advance the protection of domestic brands and raise product quality," said Ding Ningning, a research fellow at the Development Research Center of the State Council.

The media have extensively reported on domestic food safety scandals this year, including restaurants serving food cooked with "gutter oil" — cooking oil recycled from kitchen waste — and lean but harmful pork from pigs fed with the banned food additive clenbuterol. This has "severely affected the security of public health," Wen said.

## what's news



A model shows exhibition goods at a news conference held by the Hong Kong Trade Development Council on Wednesday. The council announced that the Hong Kong Food Exhibition, Hong Kong International Tea Exhibition and International Modern Chinese Medicine and Healthcare Products Exhibition will be held from Aug 16 to 20.

LU XIAOWEI / XINHUA

### Stock trading fees cut by 20% to boost market

Regulators are to lower transaction fees on equities trading by 20 percent, seeking to halt a 14 percent decline in the nation's stock market since the year's high on March 2.

The fee reduction will take effect on Sept 1 and save investors 600 million yuan (\$94 million) in transaction-related fees in the last four months of the year, the China Securities Regulatory Commission said on Thursday.

Trading charges will also be cut by as much as 26 percent for futures exchanges in Shanghai, Zhengzhou and Dalian, the commission said.

The China Financial Futures Exchange will reduce transaction fees by 28.57 percent, it said. As a result, futures market costs may be lowered by 1 billion yuan, the CSRC said.

The China Securities Regulatory Commission has encouraged listed companies, especially those with share prices that don't reflect the businesses' net asset value, to buy back shares and to urge big shareholders to add to their holdings.

But "the statement that those companies have an obligation to repurchase shares is not correct", as it is only a market behavior, and businesses can make decisions on their own, a CSRC official said on Thursday.

### Crackdown on IPR infringement planned

The Ministry of Commerce has published its work plan for the third quarter of the year, highlighting a crackdown on IPR infringement and the production and selling of fake or forged goods.

Campaigns are being planned to deliver harsh penalties on IPR infringement of key commodities such as agricultural products, and activities online.

The ministry will also root out the masterminds behind IPR infringement as well as other economic crimes, helped by the establishment of a business system aimed at strengthening its ability to detect wrongdoing.

### Chinese developers fall on property curb concern

China's property stocks fell, with the gauge tracking developers on the Shanghai Composite Index declining on renewed concern the government will issue more curbs to cool the real estate market.

The property measure dropped 4.9 percent at the close in Shanghai, the most since January 2011 and the biggest loss among the five industry groups on the benchmark index. China Vanke Co, the biggest listed developer on mainland exchanges, declined 6.8 percent to 8.7 yuan (\$1.37) in Shenzhen. Poly Real Estate Group Co, the second-largest, declined by 9.2 percent to 10.30 yuan, the most since April 19, 2010.

"Investors are speculating the government has

enough information to release new tightening policies," said Dai Fang, a Shanghai-based property analyst at Zhesang Securities Co. "It's hard to tell whether the government eventually will, because they still put economic growth as a priority."

### JPMorgan may cut China's 2012 growth forecast

JPMorgan Chase & Co will cut its 2012 China growth forecast if the economy weakens further. Jing Ulrich, JPMorgan managing director and chairman of global markets for China, made the prediction in a Bloomberg Television interview on Thursday.

The trend is for the Chinese economy to moderate through the third quarter, said Ulrich, whose current growth estimate for China is 7.7 percent.

JPMorgan expects China to announce more fiscal policies such as tax cuts in coming weeks, Ulrich said. The country is also very concerned about housing prices and will maintain tight policies, she said.

Rising housing prices are "actually concerning the central government", Ulrich said. "They don't want prices to rebound too sharply. After all, the housing issue is a social issue and not just an economic issue."

### Corn imports to be reduced after US drought

Record corn prices amid the worst US drought in more than half a century have made it harder for China to import, the manager of the country's grain market said. Shipments are set to decline, according to a Bloomberg survey.

"The US drought has made it very difficult" for China to import corn to boost supply, said Zeng Liying, deputy director of the State Administration of Grain, in an interview in Beijing. "But we do have stockpiles, and corn planting has increased this year."

Shipments in the year from Oct 1 may be less than the record 5 million metric tons estimated for this year by the US Department of Agriculture as purchases depend on prices, according to Shanghai JC Intelligence Co, one of four researchers surveyed this week. Deliveries may decline to 3 million tons next year, the China National Grain & Oils Information Center said.

### Traditional Chinese medicine R&D gets boost

The traditional Chinese medicine industry got a boost from the central government on Thursday as the National Commission of Development and Reform approved six research-and-development projects in the TCM sector.

Lian Weiliang, the commission's vice-chairman, said the move is to promote the combination of new technology and TCM, the improvement of industrial structures, and the standardization of the industry.

The projects are all about lab construction, which is the foundation of R&D for TCM composition analysis, the chemical and technological studies of herbs, the industrialization processes, new-drugs research, and data collection.

### Shenzhen Development Bank changes name

Shenzhen Development Bank Co Ltd changed its name to Ping An Bank Co Ltd on Wednesday after it merged with the bank belonging to Ping An Insurance (Group) Co of China Ltd.

The insurance group, together with its holding subsidiaries, is the controlling shareholder in Ping An Bank, with a 52.38 percent stake.

"The name change shall have no impact on the rights and obligations of our customers and the bank," said a statement on the new bank's website.

"Cards, documents and certificates of deposit of the original Shenzhen Development Bank and the original Ping An Bank shall remain effective; account numbers shall remain unchanged; and signed contracts are still effective."

### CSR wins major subway project in Turkey

CSR Zhuzhou Electric Locomotive Co Ltd has won a bid for a metro project in Ankara, Turkey, obtaining a contract worth 2.5 billion yuan (\$392.3 million).

The amount is equivalent to about 3.1 percent of the company's operating revenue in 2011.

The contract marks the largest order the Chinese railway industry has received in a European nation, as well as the first time that China has exported technology used to make subway vehicles to that region.

The first batch of products for the project, consisting of 15 subway vehicles, will be delivered within 20 months of the contract signing, and the rest will be delivered in 39 months. The vehicles will run on the four main subway lines in the Turkish capital.

CSR Zhuzhou is a wholly owned subsidiary of China South Locomotive and Rolling Stock Corp.

### China's smartphone shipments hit new high

The number of Chinese-made smartphones shipped to local retailers saw a "phenomenal" increase in the second quarter, boosted by strong demand and performances by domestic makers, an industry report said.

More than 42 million smartphones were shipped to Chinese retailers in the quarter, a jump of 32 percent quarter-on-quarter. The increase also represents the second consecutive quarter of record-breaking volume, a report from IT research company Canalys said.

"The growth in China was heavily driven by domestic vendors, while international vendors struggled to keep pace," the report said.

China accounted for 27 percent of the 158 million smartphones shipped around the world. The United States, by comparison, shipped 16 percent.

### Time deposit options could increase for savers

The People's Bank of China might triple the number of time deposit products available to savers in a move to further liberalize interest rates, three financial industry sources told Reuters on Thursday.

The number of products could grow from the current six to at least 18, with a time deposit for each of the 12 months in a year and dividing time deposits of between one and two years into four terms, and potentially doing the same to three and five-year term products, a source close to the China Banking Regulatory Commission, the industry's watchdog, said.

"The central bank is pondering the feasibility of opening up terms of time deposits," the source said. "It was proposed by China Everbright Bank two years ago, and the central bank will probably meet this month to discuss it and announce the news at the proper time," the source said.

China now has time deposits of three months, six months, one year, two years, three years and five years.

### Adidas raises forecast on emerging markets

Adidas AG, the world's second-biggest sporting-goods maker, reported second quarter profit that topped analysts' estimates and raised its full-year forecast as revenue increased in China, North America and European emerging markets.

Net income rose 18 percent to 165 million euros (\$202 million), the Herzogenaurach, Germany-based company said on Thursday, compared with the 157 million euro average estimate of seven analysts compiled by Bloomberg.

Adidas said it now sees profit increasing 15 percent to 17 percent this year, compared with a previous forecast of 12 percent to 17 percent growth.

Sales in China and European emerging markets such as Russia led revenue gains in the quarter, rising 13 percent and 18 percent on a currency-neutral basis, respectively.

### China's market share of ship demolitions seen gaining

China's share of ship demolitions may be poised to gain because of the techniques the nation's yards use to scrap vessels, according to Clarkson PLC, the world's largest shipbroker.

Chinese companies demolish vessels at quaysides, a practice that contrasts with breakers in India, where ships are scrapped on beaches, Clarkson said in a note on its website.

China's government is promoting environmentally friendly demolition, Clarkson said.

CHINA DAILY-AGENCIES

# Solar anti-dumping complaint unfair, says industry body

By **BAO CHANG**  
baochang@chinadaily.com.cn

The anti-dumping complaint filed by European companies against Chinese solar panel makers is a move to maintain their dominance in the European market through the use of protectionist measures, a Chinese industry organization said.

**ENERGY** European solar panel makers, led by Germany's Solarworld AG, filed a complaint to the European Commission last week, claiming that Chinese solar panel makers sell photovoltaic cells in the European Union market at a price below pro-

duction costs and seeking to impose import tariffs on Chinese products.

The commission has 45 days to decide whether it will start an investigation into the charges.

"Chinese PV manufactures didn't dump products in the EU. The prices of exported solar panels were absolutely set by the market," Wang Guiqing, vice-director of the China Chamber of Commerce for Import and Export of Machinery and Electronic Products, said on Thursday.

"Chinese solar companies urge the EU Commission to make an unbiased decision in the trade remedy case, which involves huge

sums and job numbers in the EU and in China," Wang said.

"The falling prices of Chinese photovoltaic cells resulted from a big drop of raw material prices in the international market in recent years," said Sun Guangbin, secretary-general of the chamber's solar energy and PV products branch.

Data from the chamber showed that polysilicon, a raw material used in solar panels, cost more than \$400 a kilogram in the first half of 2008. However, due to the global financial crisis and oversupply, the price decreased to \$20 to \$30 a kg in July.

"In this case, the production costs dropped

and Chinese products' export prices quickly followed that trend," Sun said.

"European companies want to keep their monopoly in the EU market by implementing trade protectionism," Sun added.

China has been promoting its solar panel industry in the global market. In 2011, the value of China's imports of polysilicon from Germany reached \$764 million, accounting for 20 percent of the value of China's imports of products in that category. China's solar products trade with the EU helped create 300,000 jobs in Europe.

Ministry of Commerce spokesman Shen Danyang said that if the EU sets trade restric-

tions on Chinese solar panel products, that will certainly go against the interests of upstream and downstream solar panel industries in its home market.

Yingli Green Energy Holding Co Ltd, one of China's largest solar panel makers, also expressed strong opposition on Thursday to the European companies' allegations.

At a press conference, the company urged the EU Commission to reject the complaint and find a way to solve the problem through bilateral talks, avoiding the outbreak of a trade war.

In May, the US Department of Commerce ruled that China's solar panel makers were dumping goods and receiving unfair subsidies.