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CanadaChina BusinessForum

2016-2017

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Canada China Business Council
Conseil d'affaires Canada-Chine
加中贸易理事会

The Canada China Business Council (CCBC) is the country's Canada-China authority. Through its events and member services, CCBC actively demonstrates its position as a leading bilateral, knowledgeable, and connected organization in Canada-China business relations. Founded in 1978 as a private, non-profit business association, CCBC provides unparalleled insight into Canada-China business, trade, and investment issues and develops connections that ensure its members' business success. In addition to its focused and practical services, CCBC is also the voice of the Canadian business community on issues affecting Canada-China business, trade, and investment.

CCBC members include some of the largest and best-known Canadian and Chinese firms, as well as small to medium-sized enterprises (SMEs), entrepreneurs, and non-profit organizations. Its members represent a wide range of sectors, including financial services, professional services, manufacturing, construction, transportation, oil and gas, agri-food, natural resources, ICT, public sector, and education.

In addition to its head office in Toronto, CCBC also has offices and staff in Vancouver, Montreal, Calgary, Beijing, and Shanghai. The CCBC's network of staff offers programs and services in both Canada and China, and introduces members to opportunities in China's emerging markets. In March 2016, the Beijing Chapter launched the CCBC Chamber of Commerce – Beijing that provides Canadians living in Beijing and Chinese friends of Canada the opportunity to meet and network with other members of the community and gives them a range of events and broad networking opportunities at the local level.

CCBC provides its member companies with business insight, intelligence, connections, and networks that help resolve the inevitable challenges of doing business in another country. For more information about CCBC, please visit us online at www.ccbc.com.

CanadaChina BusinessForum

Canada-China Business Forum Magazine (BFM) is essential reading for Canadian and Chinese executives who want to stay up-to-date and informed of the trends, issues, activities, and perspectives that are shaping bilateral trade and investment. BFM articles cover a wide-range of topics and sectors, such as cleantech, energy, information technology, finance, legal matters, education, and policy. Roughly 2,500 copies of the BFM are distributed to CCBC members and guests at major CCBC events throughout the year in Canada and China. The magazine is also available online at www.ccbc.com.

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LETTER FROM THE EDITOR

The 2016-17 *Canada China Business Forum* magazine addresses what business people need to know and do to operate successfully in China. It focuses on two topics that organizations need to be cognizant of when doing business in China: corporate litigation and breaches in employment law.

We also take a look at China's 13th Five-Year Plan, which reveals key areas of importance that are receiving immediate attention and action. Understanding the five-year plan allows businesses to hone in on specific industries that will be the focus of ongoing growth and development in China.

This year's lead article by Denis L'Heureux, *Is China Really in a Slowdown?*, digs into the economic health of China and debunks the views that China has been heading into financial crisis. It's a must-read for leaders and decision makers because Mr. L'Heureux provides a solid understanding of the real picture, and the corresponding implications, of China's financial affairs.

The environment is on the forefront of China's concerns and it's focusing heavily on green development and cleantech. Randall Mang's article, *Who is Going to Clean Up in China?*, looks at the many and significant opportunities for Canadian cleantech companies and he suggests ways to gain access to this very lucrative and growing industry.

I would like to thank everyone who contributed articles and our advertisers and sponsors for making this possible.

I hope you enjoy the magazine!



Laurie Wilhelm
Editor-in-Chief



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Who is Going to Clean Up in China?

by Randall A. Mang



China's colossal environmental challenges are considered a threat not only to the Chinese public, but also to the planet's overstressed ecosystem. Canadian clean technology proponents say helping solve China's issues is an economic opportunity of epic proportions. The question: **Are Canadian firms up for the challenge?**

"From a mission and monetization standpoint, I don't think there is a more significant place in the world for cleantech. This matters more to them than anything else; it is beyond elder care and financial sector reform."



Nicholas Parker

"This market is very complex; partnerships with cities and municipalities, academic institutions, customers and others help."



Celine Bak



Debra Lodge

"Working with institutional partners that have both size and an international presence in China can help with invitations to meet with regulators and to participate in pilot projects. It helps to have relationships and trust."



Lynn Côté

"If you have an advanced technology that matches China's need, and an ability to partner, being mentored by people who actually know what's going on would be incredibly valuable."



China will spend

US\$660 billion

per year over the next 15 years
on clean tech solutions, including

US\$6.6 trillion

on climate change solutions alone.



Canada has lost

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Among the top 25 exporters,
Canada's global ranking fell from

14th

to

19th.

For the record, China's ecological issues, which gained particular steam during the past decade's unprecedented growth spurt, now span air, water, land, and other forms of pollution. According to an article published earlier this year by the Council on Foreign Relations (COFR), China is among the world's largest carbon emitters, with air quality levels in many of its major cities failing to meet international health standards. The COFR article also says, "...severe water contamination and scarcity have compounded land deterioration," and "...environmental degradation threatens to undermine China's growth and exhausts public patience with the pace of reform." Acutely aware of these and other issues, China's central government is reportedly committed to getting its environmental house in order.

Nicholas Parker, a cleantech veteran who today heads Toronto-based venture capital firm Global Acceleration Partners Inc., says China will spend US\$660 billion per year over the next 15 years on clean tech solutions, including US\$6.6 trillion on climate change solutions alone.

"This is the mother of all markets," says Parker, whose interest in China dates back to 2006 when he wrote the world's first report on China's cleantech opportunity. "When you align China's investments in cleantech with its shift to innovation, IP protection, and dovetail that with other mega trends including the arrival of IOT—the Internet of Things (the industrial internet)—a picture of a 'smart and clean' China emerges. From a mission and monetization standpoint, I don't think there is a more significant place in the world for cleantech. This matters more to them than anything else; it is beyond elder care and financial sector reform."

Celine Bak, President of Ottawa-based Analytica Advisors, which publishes annual reports on Canada's cleantech sector, says Canada's emerging capabilities—particularly in water solutions, hydrogen energy technologies, waste to energy and transportation—make China a prime target market.

According to Analytica's most recent report, Canada's clean technology industry's 775 firms, many of them SMEs, generated aggregated revenues that topped C\$11.63 billion in 2014 with export revenues accounting for C\$6.6 billion and 23 percent of export sales coming from non-US markets. In fact, some 87 percent of Canadian clean technology companies were exporters and "we anticipate companies exporting to reach 91 percent in 2016," says Bak.

While that news is encouraging, Analytica also notes a steep rise in global cleantech competition. Despite Canada's relative gains, Canada's global market share among major exporters is in a steep decline, second only to Japan and the United Kingdom. The report says in the Renewable Energy and Energy Efficiency manufactured environmental goods category, for example, Canada has lost 39 percent of its 2005 market share and "is the biggest loser of market share among the top exporting countries." Further, while global cleantech exports doubled



between 2005 to 2014 to reach over C\$1 trillion, Canada's market share of manufactured environmental goods declined by 35 percent from 2.0 percent to 1.3 percent. "Among the top 25 exporters, our global ranking fell from 14th to 19th," says Bak.

Could a push into China be the solution to Canada's cleantech sector woes? "China is the world's third most important active market in terms of investment in sales development," says Bak. "This year, the rest of Asia has risen to fourth position, tied with the UK."

Canada's participation in international agreements, including the Trans-Pacific Partnership (TPP), offers signs of optimism. For example, Canada's and China's Joint Declaration on Clean Technology Cooperation has laid important foundations, including measures to spur sharing of best practices on cleantech policy approaches, addressing economic and social challenges through clean technology, exploring clean energy demonstrations, and facilitating collaboration between small and medium-sized enterprises. On other fronts, Bak adds, doors are being opened through various efforts led by governments, notably in Ontario, B.C., and Atlantic Canada, which have yielded a series of recent program announcements.

As a result, Bak says companies are engaging in partnerships with Chinese organizations such as the Shanghai Academy of Science, which provides recommendations on regulatory standards and whose involvement can help Canadian suppliers get products to market faster.

"This market is very complex; partnerships with cities and municipalities, academic institutions, customers, and others help," says Bak.

China trade expert Debra Lodge, HSBC Managing Director Global Markets and Head of RMB Business Development North America, agrees that working with the right partners—including a banker, accountant, and international lawyer—is key "so the way they set up the company, whether it's a Wholly Foreign-Owned Enterprise or another structure, is right for the company and the sector."

She says physical location is also an important determinant of success. "You want to be in the location that is most advantageous to your business," says Lodge, noting that China uses policies to spur select forms of industry growth in particular cities and regions.

For cleantech companies, Lodge recommends Shanghai. "New finance rules and regulations are most likely to be tested and implemented in the Shanghai Free Trade Zone. You might even be asked to join pilot programs. Think of it as a test area." Lodge emphasizes, "Working with institutional partners that have both size and an international presence in China can help with invitations to meet with regulators and to participate in pilot projects. It helps to have relationships and trust."

Despite such encouraging signals, even bullish proponents say succeeding in China requires financial and other capabilities that are often beyond reach for Canadian cleantech firms, the majority of which are small.

“China’s cleantech opportunity is real and it’s happening. It is a perfect storm: societal awareness and new improved environmental legislation that holds government officials accountable for environmental KPIs. There are coal companies investing in sustainable agriculture, Internet companies investing in electric cars, and Chinese companies investing abroad in Canadian firms. This is a once-in-a-lifetime opportunity.”

Nicholas Parker

Lynn Côté, Sector Advisor, Infrastructure and Financial Services at Export Development Canada (EDC), says China’s “opportunity is immense, but the challenge of tapping this market is immense as well. China is complicated. The amount of money required to navigate the language barrier, get the right kind of legal help, IP protection, and other things you need to break into this market is out of reach of most SMEs.”

Even if companies get a toehold, Côté says scaling up poses another challenge. “Nobody wants 10 of something, they want 10 million.” Cautionary notes aside, she says firms that are properly prepared and equipped can find ways to penetrate China.

“One way to do it would be to partner with a large Canadian engineering firm, several of which are well established in China,” says Côté. “Whether it’s a power

generation solution or a water solution, the SME doesn’t have to deal with issues directly.”

Côté adds that venture capital firms including Montreal-based Cycle Capital and Global Acceleration Partners (GAP), which are building partnerships and networks in China, provide another potential inroad.

Ascribing to a contemporary venture capitalism (VC) model proven by Silicon Valley VCs to increase chances of a profitable outcome, today’s VCs actively work with their vested companies to secure ingredients for success—from engaging top management and choosing the right location for the business to establishing JVs and penetrating markets.

GAP’s approach to its investments in China-based subsidiaries is exemplified by the firm’s recent work



with a US company that turns CO2 into bio-fertilizer. “Through a collaboration with the Shanghai Advanced Research Institute (SARI), we got a pilot project done in a quarter of the time and one eighth of the cost compared to North America. The demonstration project was co-funded by two Chinese CO2 emitters and SARI contributed intellectual horsepower. We also found ways to commercialize the technology faster, cheaper, and with less risk to market than North America,” says Parker.

In another example, Parker says a new deal involving a leading-edge Canadian solar tech company is poised for takeoff. “The Chinese investor is linked to Central Government and has hand-picked the go-to market manufacturer for roll out,”

says Parker, noting that when GAP first approached the Canadian firm about its potential in China, it had already dismissed China due to perceived concerns about IP and other issues. “We sorted out the details. As a result, this will be a C\$60 million to C\$100 million investment package.”

Generally speaking, Bak and Côté agree that Canadian cleantech firms that aspire to grow their business in China could benefit from coaching.

“You really need someone to decode China,” says Côté. “If you have an advanced technology that matches China’s need, and an ability to partner, being mentored by people who actually know what’s going on would be incredibly valuable.”

For its part, CCBC is collaborating with the Canadian Trade Commissioner Service on a new mentorship group focused on cleantech, led by Vice Chairman David Fung. “We’ve seen a lot of people get stuck on some of the challenges unique to China, so we know how intimidating this can be,” says CCBC Executive Director, Sarah Kutulakos. “David Fung’s leadership of this first mentoring group in Vancouver gives these cleantech companies firsthand advance, as David has been a pioneer in cleantech investment in China.”



Lodge adds that HSBC sends its clients a weekly snapshot of China’s current developments—from “nice-to-know regulatory developments to more pressing matters that require follow up.”

Nicholas Parker says Canadian cleantech firms are well advised to pay attention. “China’s cleantech opportunity is real and it’s happening. It is a perfect storm: societal awareness and new improved environmental legislation that holds government officials accountable for environmental KPIs. There are coal companies investing in sustainable agriculture, Internet companies investing in electric cars, and Chinese companies investing abroad in Canadian firms. This is a once-in-a-lifetime opportunity.” 🍁



Randall A. Mang is the founder and President of Randall Anthony Communications Inc., a service provider to *The Globe and Mail*, HSBC, Export Development Canada’s *Exportwise* online magazine and other organizations.

Bombardier’s involvement in China’s aviation industry dates back to the 1970s and includes participation in industry and government initiatives to foster research and development collaboration between China and Canada, while our rail transportation business has long played a key role in developing China’s urban mass transit and advanced rail networks.

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Qui va nettoyer en Chine?

par **Randall A. Mang**



Les défis environnementaux colossaux auxquels fait face la Chine sont considérés comme une menace non seulement pour la population chinoise, mais également pour l’écosystème surexploité de la planète. Les promoteurs canadiens des technologies propres affirment que l’aide apportée à la Chine pour régler ses problèmes offre également des occasions économiques sans précédent. La question qui se pose est la suivante : **Les entreprises canadiennes sont-elles aptes à relever le défi?**

Il convient de noter que les problèmes écologiques de la Chine, qui se sont particulièrement accentués pendant la croissance extraordinaire des dix dernières années, concernent aujourd’hui l’air, l’eau, la terre et d’autres formes de pollution. Selon un article publié en début d’année par le Council on Foreign Relations (COFR), la Chine figure parmi les plus grands émetteurs de carbone, et les niveaux de qualité de l’air dans un grand nombre de ses grandes villes ne satisfont pas aux normes de santé internationales. L’auteur de l’article explique également que « la contamination importante de l’eau et les pénuries d’eau ont aggravé la dégradation des terres » et que « les dommages environnementaux menacent d’ébranler la croissance de la Chine et d’épuiser la patience du public à l’égard du rythme des réformes. » Parfaitement conscient de ces problèmes ainsi que d’autres difficultés, le gouvernement central de la Chine se serait engagé à mettre de l’ordre dans ses affaires environnementales.

Nicholas Parker, vétéran des technologies propres qui dirige aujourd’hui une société de capital-risque torontoise, Global Acceleration Partners Inc., explique que la Chine dépensera 660 milliards de dollars américains par an au cours des 15 prochaines années en solutions technologiques propres, y compris 6,6 billions en solutions aux changements climatiques seulement.

« Il s’agit d’un marché considérable » affirme Parker, dont l’intérêt pour la Chine remonte à 2006, époque à laquelle il a rédigé le premier rapport mondial sur les possibilités en technologies propres offertes en Chine. « Il suffit d’aligner les investissements chinois dans les technologies propres sur son virage vers l’innovation et la protection des droits de propriété intellectuelle et de rapprocher ces orientations des autres grandes tendances, notamment l’arrivée de “l’Internet des objets” (l’Internet industriel), pour voir émerger le portrait d’une Chine “intelligente et propre”. »

« D’un point de vue de la mission et de la monétisation, je ne pense pas qu’il existe d’endroit dans le monde plus propice que la Chine aux technologies propres. Ces technologies ont plus d’importance que tous les autres enjeux pour les Chinois; elles passent devant les soins aux aînés et la réforme du secteur financier. »

Celine Bak, présidente de l’entreprise basée à Ottawa Analytica Advisors, qui publie des rapports annuels sur le secteur des technologies propres au Canada, affirme que les nouvelles capacités canadiennes—en particulier en solutions de gestion de l’eau, en technologies de l’hydrogène, en transformation des déchets en énergie et en transport—font de la Chine un marché cible principal.

Selon le dernier rapport d’Analytica, les 775 entreprises de l’industrie des technologies propres au Canada, dont la plupart sont des PME, ont généré des revenus cumulés de 11,63 milliards de dollars en 2014, dont des revenus d’exportation de 6,6 milliards et 23 % des ventes à l’exportation à destination d’autres marchés que les États-Unis. En réalité, quelque 87 % des entreprises canadiennes de technologies propres ont exporté et « nous prévoyons que 91 % des entreprises exporteront en 2016, » affirme Celine Bak.



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Si ces nouvelles sont encourageantes, Analytica note également une forte hausse de la concurrence mondiale dans les technologies propres. Malgré les gains relatifs du Canada, la part canadienne du marché mondial, si l'on compare aux principaux exportateurs, enregistre un recul important, en seconde position seulement derrière le Japon et le Royaume-Uni. Le rapport indique que dans la catégorie des biens environnementaux manufacturés dans les domaines des énergies renouvelables et de l'efficacité énergétique par exemple, le Canada a perdu 39 % de sa part de marché de 2005 et « est le plus grand perdant de part de marché de tous les principaux pays exportateurs. » De plus, si les exportations mondiales de technologies propres ont doublé de 2005 à 2014 pour atteindre plus de 1 billion de dollars, la part canadienne du marché des biens environnementaux manufacturés a reculé de 35 %, passant de 2 % à 1,3 %. « Dans le classement mondial des 25 exportateurs principaux, nous sommes passés de la 14^e à la 19^e place, » confirme Celine Bak.

Une percée en Chine pourrait-elle résoudre les difficultés du secteur canadien des technologies propres? « La Chine représente le troisième marché actif le plus important dans le monde en ce qui a trait aux investissements en développement des ventes, explique Céline Bak. Cette année, le reste de l'Asie s'est haussé à la quatrième position, ex æquo avec le Royaume-Uni. »

La participation du Canada aux ententes internationales, y compris le Partenariat transpacifique (PTP), donne des raisons d'être optimiste. Par exemple, la déclaration conjointe de la Chine et du Canada sur leur coopération dans le domaine des technologies propres a posé d'importants fondements, y compris des mesures pour encourager le partage des pratiques exemplaires sur les approches politiques en matière de technologies propres, résoudre les problèmes économiques et sociaux via les technologies propres, étudier les projets de démonstration des énergies propres et faciliter la collaboration entre les petites et les moyennes entreprises. Sur d'autres fronts, explique Celine Bak, des portes s'ouvrent, grâce aux efforts variés des gouvernements, notamment en Ontario, en Colombie-Britannique et dans le Canada atlantique où une série de programmes ont été récemment annoncés.

Résultat, les entreprises, explique Celine Bak, s'engagent dans des partenariats avec des organisations chinoises telles que l'Académie de sciences de Shanghai, qui offre des recommandations sur les normes réglementaires et dont l'implication peut aider les fournisseurs canadiens à introduire des produits sur le marché plus rapidement.

« Ce marché est extrêmement complexe; les partenariats avec les villes et les municipalités, les établissements universitaires, les consommateurs et autres aident, » affirme Celine Bak.

Experte en commerce avec la Chine, Debra Lodge, directrice générale, Marchés internationaux de la HSBC, et responsable en chef, Expansion des affaires, Amérique du Nord, RMB, admet que



la collaboration avec les partenaires adéquats—y compris des banquiers, des comptables et des avocats internationaux—joue un rôle clé pour que « le mode de création de l'entreprise, qu'il s'agisse d'une société à capitaux entièrement étrangers (Wholly Foreign-Owned Enterprise) ou d'une autre structure, convienne à l'organisation et au secteur. »

Debra Lodge ajoute que l'emplacement géographique constitue également un facteur de réussite important. « Vous voulez installer votre entreprise à l'endroit qui lui offre le plus d'avantages, » explique-t-elle, en faisant remarquer que la Chine utilise les politiques pour stimuler des formes choisies de croissance industrielle dans des villes et des régions en particulier.

Pour les entreprises de technologies propres, Debra Lodge recommande Shanghai. « De nouvelles règles financières sont plus susceptibles d'être mises à l'essai et implantées dans la zone de libre-échange de Shanghai. Vous pourriez même être invité à vous joindre à des programmes pilotes. Considérez cette zone comme une zone d'essai. » Debra Lodge ajoute que « la collaboration avec des partenaires institutionnels jouissant à la fois d'une certaine envergure et d'une présence internationale en Chine permettent de rencontrer des responsables de la réglementation et de participer à des projets pilotes. Ce type de collaboration peut aider à nouer des relations et à mettre sur pied une relation de confiance. »

Malgré de tels signes d'encouragement, même les promoteurs qui connaissent le succès affirment que la réussite en Chine exige des capacités financières et autres souvent hors de portée des entreprises canadiennes de technologies propres, qui sont de petite taille pour la plupart.

Lynn Côté, conseillère sectorielle, Infrastructure et services financiers, Exportation et développement Canada (EDC), explique que les « débouchés en Chine sont immenses, mais les défis à relever pour exploiter le marché sont immenses également. La Chine est compliquée. L'argent nécessaire pour surmonter la barrière de la langue, obtenir le bon type d'aide juridique, protéger les droits de propriété intellectuelle et mettre en œuvre toutes les autres activités requises pour percer sur le marché est hors d'atteinte de la majorité des PME. »

Même si les entreprises parviennent à mettre un pied sur le marché, explique Lynn Côté, le développement de leurs activités pose de nouvelles difficultés. « Personne ne veut 10 exemplaires de quelque chose, tout le monde en veut 10 millions. » Malgré ces mises en garde, Mme Côté affirme que les entreprises bien préparées et équipées peuvent trouver des moyens de percer sur le marché chinois.

« L'un des moyens consiste à s'associer à une grande société d'ingénierie canadienne; plusieurs d'entre elles sont bien établies en Chine. Pour une solution de production d'énergie ou de gestion de l'eau, les PME ne traitent plus directement avec les difficultés. »

Lynn Côté ajoute que les sociétés de capital-risque (SCR), y compris Cycle Capital Management basée à Montréal et Global Acceleration Partners (GAP), qui établissent des partenariats et des réseaux en Chine, offrent d'autres possibilités d'incursion.

En attribuant au modèle contemporain de capital-risque éprouvé par des SCR de la Silicon Valley des chances accrues de rendement, les SCR d'aujourd'hui collaborent activement avec les entreprises dans lesquelles elles

« Les débouchés en technologies propres en Chine sont réels et s'ouvrent actuellement. Les conditions sont idéales : conscience de la société; législation environnementale améliorée qui attribue la responsabilité des IRC environnementaux aux représentants du gouvernement; des compagnies charbonnières qui investissent dans l'agriculture durable; des sociétés Internet qui investissent dans les voitures électriques et des entreprises chinoises qui investissent à l'étranger dans des organisations canadiennes; une occasion qui ne se représentera pas. »

Nicholas Parker

ont investi afin de réunir les ingrédients du succès – soit engager les dirigeants et choisir le bon emplacement pour établir l'entreprise ainsi que créer des coentreprises et s'introduire sur les marchés.

La récente collaboration de GAP avec une entreprise étatsunienne qui transforme le CO2 en engrais biologique témoigne de l'approche adoptée par l'entreprise en matière d'investissement dans des filiales basées en Chine. « Dans le cadre d'une collaboration avec l'Institut de recherche avancée de Shanghai (SARI), nous avons mis en place un projet pilote dans un quart du délai et à un huitième des coûts qui auraient été nécessaires en Amérique du Nord. Le projet de démonstration a été cofinancé par deux émetteurs de CO2 chinois et mis au point grâce à la contribution intellectuelle du SARI. Nous avons également trouvé des moyens de commercialiser les technologies plus rapidement, plus économiquement et avec moins de risques qu'en Amérique du Nord, » explique Nicholas Parker.

Dans un autre exemple, Nicholas Parker raconte qu'une nouvelle affaire avec une entreprise canadienne de pointe en technologie solaire est sur le point d'être lancée. « L'investisseur chinois est lié au gouvernement

central et a soigneusement choisi le fabricant qui sera responsable de la mise en marché pour le déploiement, » déclare M. Parker, en faisant remarquer que lorsque GAP a abordé l'entreprise canadienne pour lui parler de ses débouchés en Chine, l'entreprise avait déjà mis de côté ce pays en raison de difficultés perçues relativement à la propriété intellectuelle et à d'autres questions. « Nous avons réglé les derniers détails. Finalement, le projet d'investissement totalisera 60 millions à 100 millions de dollars. »

De manière générale, Celine Bak et Lynn Côté reconnaissent que les entreprises canadiennes de technologies propres qui aspirent à développer leurs activités en Chine pourraient tirer profit d'un encadrement. « Il faut vraiment avoir quelqu'un pour décoder la Chine, affirme Mme Côté. Pour une entreprise dotée d'une technologie avancée qui répond aux besoins de la Chine et d'une bonne capacité de partenariat, un encadrement par des gens qui savent exactement ce qui se passe offrira une aide précieuse. »

Pour sa part, le Conseil d'affaires Canada-Chine élabore, en collaboration avec le Service des délégués commerciaux du Canada, un nouveau programme de



mentorat axé sur les technologies propres et dirigé par le Vice président David Fung. « Nous avons vu beaucoup de monde rester bloqué sur certaines difficultés exclusives à la Chine et nous savons combien ces difficultés peuvent intimider, » affirme la Directrice générale Sarah Kutulakos. « Le leadership de David Fung auprès de ce premier groupe de mentorat à Vancouver permet à ces compagnies en technologies propres d'être à l'avant-garde, David étant un pionnier dans le domaine des investissements en technologies propres en Chine. »

Mme Lodge ajoute que HSBC envoie à ses clients un instantané hebdomadaire de l'évolution de la Chine – « de la nouvelle réglementation qu'il faut connaître aux sujets plus pressants qui exigent un suivi. »

Nicholas Parker affirme que les entreprises canadiennes de technologies propres sont bien averties qu'elles doivent agir avec précaution. « Les débouchés en

technologies propres en Chine sont réels et s'ouvrent actuellement. Les conditions sont idéales : conscience de la société; législation environnementale améliorée qui attribue la responsabilité des IRC environnementaux aux représentants du gouvernement; des compagnies charbonnières qui investissent dans l'agriculture durable; des sociétés Internet qui investissent dans les voitures électriques et des entreprises chinoises qui investissent à l'étranger dans des organisations canadiennes; une occasion qui ne se représentera pas. »



Randall A. Mang est le fondateur et le président de Randall Anthony Communications inc. qui offre des services au *Globe and Mail*, à HSBC, au magazine en ligne Exportateurs avertis d'Exportation et développement Canada et à d'autres organismes.

谁会在治理中国环境污染中崭露头角？

文/Randall A. Mang



中国目前面临着环境污染的巨大挑战，这不仅对生活在这里的人们是一种威胁，而且增加了地球上生态系统的负荷。加拿大清洁技术的倡导者表示应协助中国政府治理环境污染。在中国，清洁技术市场蕴含着巨大的商机。那么，加拿大的环境清洁技术公司做好了么？

我们通过已有的数据了解到在过去十年间中国面临的生态问题日趋严峻。如今，污染已影响到空气，水源，土壤；另外，污染还以其他形式存在于人们的生活中。美国外交关系协会 (COFR) 在今年早些时候发表的一篇文章称，中国是世界上最大规模的碳排放国之一，许多主要城市的空气质量水平都未能达到国际健康标准。COFR 的文章还表示，“.....严重的水污染和水资源稀缺加剧了土地退化”，而且“.....环境恶化很有可能阻碍中国的发展，从而影响公众对改革的信心。”据报道中国政府已经意识到这类及其相关问题的危害，正着力整顿其环境部门。

作为资深的清洁技术专家，Nicholas Parker与一家位于多伦多的风险资本公司 Global Acceleration Partners Inc.接触时指出，在今后 15 年内，中国在清洁技术解决方案上每年将花费 6600 亿美元，仅在应对气候变化的解决方案上就将投入 6.6 万亿美元。

Parker表示“这样的市场孕育着各种机会。”自 2006 年 Parker就开始关注中国的环境问题，并撰写了世界上首篇关于中国清洁技术市场蕴藏着商机的相关文章。“您可以从中国的清洁技术投资趋势中发现这个产业在中国正在向创新和知识产权保护转型，这与其他行业发展趋势是一致的，包括 IOT——物联网（工业互联网）的应用，一幅‘智能清洁’中国的宏伟蓝图浮出了水面。”

“从使命和货币化的角度看，我认为中国比别的国家更需要环境清洁技术及其应用。我认为清洁技术在中国一定有用武之地，因为时下解决环境污染问题迫在眉睫，中国政府对其关注度甚至超过了养老和经济领域的改革。”

Celine Bak 在Analytical Advisors担任总裁，这是一家总部位于渥太华的公司。该公司发表了有关加拿大清洁技术产业的年度报告，报告中指出加拿大公司拥有在商业竞争中脱颖而出的技术优势——特别在水解决方案、氢能技术技术和垃圾处理及利用，能源与交通运输方面——相信这些技术会在中国市场上发挥积极的效应。

Analytica 发布的最新报告显示，在加拿大清洁技术行业775 家公司里很多都是中小企业，这些公司在 2014年的销售收入高达 116.3 亿美元，其中海外收入

为 66 亿美元，销售额的23%来自于美国以外的市场。实际上，约 87% 的清洁技术公司是为加拿大以外的地区提供技术服务支持，Bak说：“我们预计2016年这样的公司数量还有攀升，占到总数的 91%。”

Analytica的报告确实鼓舞人心，但也提到全球清洁技术市场的竞争日趋激烈。虽然加拿大获得了相对收益，然而在主要技术出口国中，加拿大所占全球市场份额急剧下降，位于日本和英国之后。报告中举例说，在可再生能源及节约能源的环保产品类别中，加拿大 2005 年丢失了 39% 的市场份额，Bak 指出：“.....作为顶尖技术出口国，由于市场份额的骤减，加拿大公司的表现差强人意”。在 2005 至 2014 年间全球清洁技术出口额翻倍达到 1 万亿美元的同时，加拿大环境产品的市场份额下降了 35%，从 2.0% 降至 1.3%。“在前 25 个出口国中，我们的全球排名从第 14 位跌至第 19 位。”

开拓中国市场会帮助加拿大清洁技术公司走出不景气的阴影么？Bak 说：“中国是世界上第三个最重要的投资与销售开发活跃的市场”。“除中国外，今年亚洲市场的活跃度上升到第四位，与英国并列。”

加拿大参与了包括泛太平洋伙伴关系协定 (TPP) 在内的国际协议，此举为行业发展提供了良机。例如，加拿大和中国发表了有关清洁技术合作的联合声明，这为双方行业合作奠定了重要基础。在这个框架下，一方面，中国政府会出台激励措施以此鼓励双方在这方面的积极合作，比如，分享有利于清洁技术的政策实例，强调通过清洁技术解决经济及社会问题，探索清洁能源示范效应及助推中小型企业之间的合作。Bak 表示，另一方面，加拿大政府也鼓励国内企业为潜在的商机做好准备。事实上，好些位于安大略省、不列颠哥伦比亚省以及加拿大大西洋沿岸的清洁技术公司已响应了政府的号召并提出了一系列方案。

Bak 表示已有加拿大公司与中国机构开展合作，例如，他们为上海科学院提供了法规标准方面的建议，这样的合作不仅加深了双方的了解，同时也为加拿大供应商认知中国市场提供了很好的机会。

“由于市场的复杂性，若能与市级政府或直辖市政府、相关研究机构和客户等建立合作伙伴关系，必将有助于扩大产品市场份额，” Bak说。

中国贸易专家、汇丰集团全球市场董事总经理、北美人民币业务开发负责人 Debra Lodge赞成与合宜的中国伙伴进行合作 - 包括银行家、财务人员和国际律师 - 这对加拿大企业来说蔚为关键。“通过上述合作，无论是成立外商独资企业还是其他形式的公司，对公司和这个产业来说都是有利的。”

她认为地点也颇为重要。Lodge 表示应该在最有利于业务开展的地点设立公司，并指出中国政府会在特定的城市或区域颁布一系列政策以此促进行业发展。



在今后 15 年内，中国在清洁技术解决方案上每年将花费

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加拿大 2005 年丢失了

39%

的市场份额

作为顶尖技术出口国，由于市场份额的骤减，加拿大公司的表现差强人意。

在前 25 个出口国中，我们的全球排名从

第 14 位

跌至

第 19 位。

“公众对这个话题的认知度日趋上升, 已改进的环境立法条例将环境问题作为政府官员的绩效考核指标。在中国, 煤炭公司会投资可持续发展的农业, 互联网公司会投资电动汽车制造企业, 中国公司会到加拿大投资。这一系列投资活动蕴藏着千载难逢的商机。”

Nicholas Parker

对于清洁技术公司在华开展业务的切入点, 她认为上海会是一个不错的选择。

“新的金融规则和法规最有可能在上海自贸区试行和实施。您甚至可能被邀请参加试点项目。我们应该把自贸区看作一个实验区。” Lodge 强调说, “与既有规模又具国际影响力的中国机构合作, 有助于获邀会晤监管机构管理者及参与试点项目。毫无疑问, 这有利于双方建立互信关系。”

尽管出现了这些令人振奋的信号, 就算信心满满的清洁技术支持者也会说, 若想在中国市场上取得成功, 加拿大的公司还需具备相当的财务和其他方面的实力。这些要求通常会超出一些从事清洁技术的小企业的能力范围。

Lynn Côté 是一位产业顾问, 就职于加拿大出口发展局 (EDC) 的基础设施和金融服务部。Côté 认为中国的“机会是惊人的, 但中国有自己的国情, 外国企业进入这个市场会面临不少挑战。他们需要投入一定的时间或资金克服语言障碍、获取适宜的本土法律援助、维护产品知识产权; 而这些投入对中小企业来说无疑是一种挑战。”

Côté 表示即使企业在中国打开了市场, 而何时扩大规模会是另一个值得考虑的问题。“因为没有公司愿意看到因自身产能不足而丢掉市场份额。” 尽管给出了这样的告诫, 她表示做了适当准备和掌握市场规律的公司在中国市场上是有机会获得成功的。

“一种方法是与大型的加拿大工程公司结为合作伙伴, 我们了解到数个加拿大工程公司已在中国站稳脚跟, 打响了知名度”, Côté 说。“有了这种合作关系, 无论是发电解决方案还是水解决方案, 中小企业会得到大公司的支持。”

Côté 补充道, 如总部位于蒙特利尔的 Cycle Capital 和 Global Acceleration Partners(GAP) 等风险资本公司与中国企业建立了合作伙伴关系, 拓展了人脉网络, 这为行业发展提供了另一条渠道。

硅谷风险资本公司证明当代风险资本 (VC) 模型能够增加盈利机会。如今的 VC 积极参与风投对象的管理以确保资本收益 - 包括从聘用一流的管理团队和选择合适的营业地点到建立合资企业及渗透市场等等。



GAP 在华投资的子公司与美国公司的合作项目——将二氧化碳转化为生物肥料堪称行业典范。“通过与上海高等研究院 (SARI) 的协作, 我们只用了北美项目四分之一的时间和八分之一的成本就完成了试点项目。两家中国二氧化碳排放单位为项目提供了经费, SARI 为其提供了知识产权服务。相比北美地区, 我们找到了一种将技术商业化的方法, 这将有助于我们把这种更快速、更低成本、更低风险的方式推向市场”, Parker 表示。

在谈到另一个例子时, Parker 介绍说有关太阳能前沿技术的一笔交易会在一家技术领先的加拿大公司和中国公司之间进行。“中国投资者与中央政府有着千丝万缕的关系, 他们精挑细选一些优秀的公司并让其在市场上占有一席之地。” Parker 说。同时, 他指出 GAP 在初步接洽某些希望发展在华业务的公司时, 发现他们因对知识产权等事宜的担忧而放弃了中国市场。“我们分类整理了详细资料。结果是这一系列业务投资金额将达 6000 万美元到 1 亿美元。”

Bak 和 Côté 表示, 总的说来加拿大清洁技术公司在中国市场上为客户提供了专业的咨询服务的同时也了解了市场需求, 有利于其中国业务增长。“您需要理解中国政策”, Côté 说。“如果您拥有中国需要的先进技术和善于建立合作伙伴关系的能力, 并能获得一些务实的建议 (比如, 如何在中国做生意?), 这一切将会给您带来巨大的价值。”

CCBC 在副主席 David Fung 的带领下, 与加拿大贸易专员服务合作, 着眼于开发清洁技术的新型导师辅导方案。“我们发现许多公司因面临中国市场上特有的挑战导致其发展受阻, 我们知道这会让企业承受不少压力。David Fung 是中国清洁技术投资的先锋, 由他负责的第一个温哥华的导师辅导小组会给这些清洁技术公司带来绝对的优势”, 加中贸易理事会执行总监 Sarah Kutulakos 如是说。

Lodge 补充说, 汇丰每周会向客户推送有关中国发展动态的简报 - 内容涉及“需要了解的监管条例变化”, “应该留意的重要事件”等。



Nicholas Parker 指出加拿大清洁技术公司就所关心的问题得到了相关的回应。“清洁技术的应用在中国市场上的商机是不容置疑的，而且市场上正涌现出对这方面的巨大需求。这会是一场完美的高科技‘风暴’。公众对这个话题的认知度日趋上升，已改进的环境立法条例将环境问题作为政府官员的绩效考核指标。在中国，煤炭公司会投资可持续发展的农业，互联网公司会投资电动汽车制造企业，中国公司会到加拿大投资。这一系列投资活动蕴藏着千载难逢的商机。” 🇨🇦



Randall A. Mang 是 Randall Anthony Communications Inc. 的创始人和总裁。该公司是 The Globe and Mail、汇丰集团、Export Development Canada's Exportwise 在线杂志和其他组织的服务提供商。

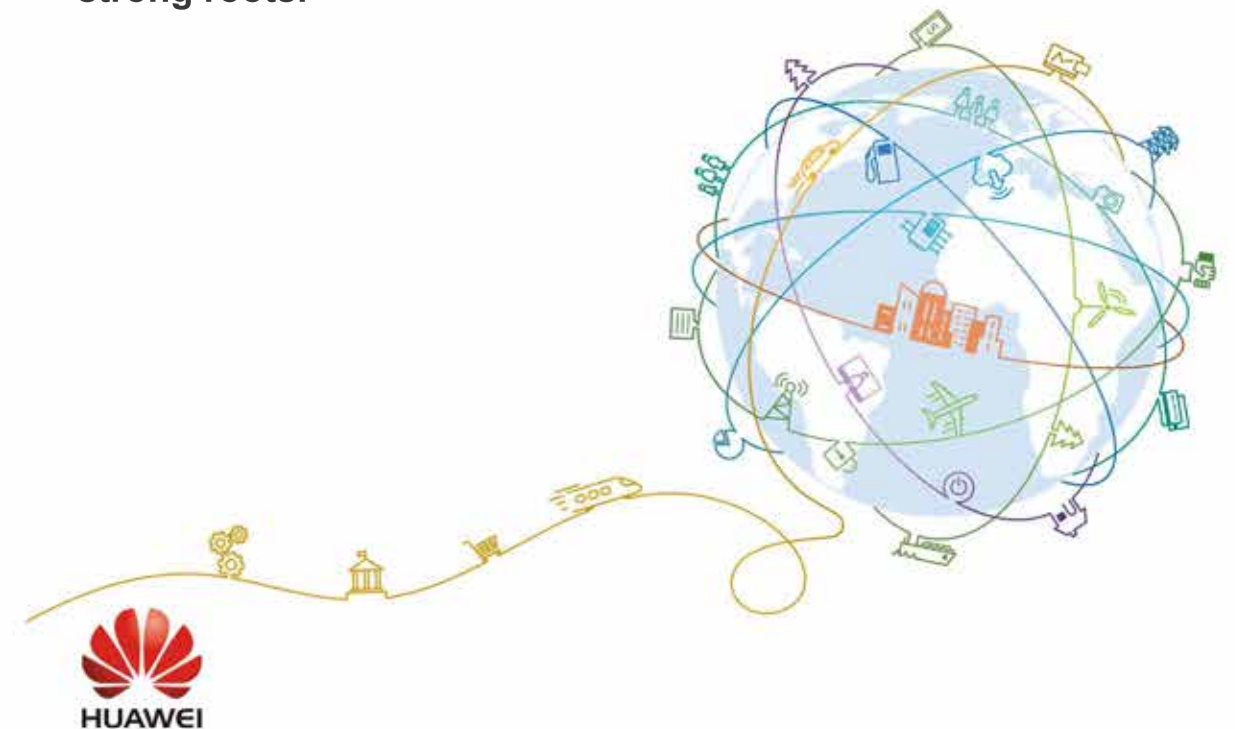
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Is China
Really in a

SLOW DOWN?

What Should Your Company
Do About It?

by Denis L'Heureux



With double-digit economic growth now a memory and a six-year trend of declining growth, many believe that China is in a financial and economic downturn. Media are reporting, seemingly daily, upon new negative developments within the Chinese economy, causing anxiety and panic all around the world.

But what's happening in China isn't a crisis; it's a sweeping social and economic transformation. The country is shifting from an export-oriented and investment-heavy growth model to a consumption-driven economy. The goal is to employ new, more efficient, and more accessible sales channels and re-orient the economy toward high value-added goods and services. China is actively moving away from being just a consumer of commodities that feeds factories for export to the rest of the world.

Chinese leaders are also grappling with complex reforms of their financial system, their currency policy, and their state-owned enterprises—a fundamental economic restructuring requiring time to adjust.

These adjustments have actually created a better fit for Canadian capabilities, leading the federal government to place China at the forefront of its economic game plan. Media coverage aside, it's now more important than ever to have a presence in China to fully capitalize on these new opportunities.

THREE REASONS NOT TO DISMISS CHINA

1. Misleading Indicators
2. Global Activism
3. Rising Middle Class, Increasing Wealth

1. Misleading Indicators

If you were to look at just the headlines over the past year, it would appear that China is in crisis. However, this media narrative is built largely on misunderstood indicators, not facts.

A good example of this misinterpretation is capital outflows. There's a common belief that China's official foreign exchange reserves are overstated and are falling rapidly because of a capital flight that the authorities seem unable to halt.

According to Nicolas Lardy, Senior Fellow at the Peterson Institute for International Economics, this narrative has fundamental flaws. When capital outflow data was dissected, it proved that the majority of outflows were productive foreign investments, as opposed to the portrayal of panicked mainlanders desperately seeking ways to get money out of the country.

For instance, 53 percent of China's net financial outflows in the third quarter of 2015 were repayments of foreign currency loans by Chinese corporations. Going forward, these flows are likely to decrease alongside repayments. Another 31 percent of net financial outflows in the same period reflected foreign currency loans to foreign entities. These loans were extended primarily by China Development Bank, which lends to advance China's foreign policy objectives.

In short, these outflows are not as large as the narrative suggests, and a large proportion of these reflect changes in exchange rates or foreign policy objectives, rather than a rush for the exits.

2. Global Activism

China is, and remains, an activist country. The government proactively seeks new policies to ensure relevance and growth. As a result, the country's supply networks and trade flows are truly global, and that will not change.

For example, the New Silk Road is a broad initiative that involves 60 countries and almost two-thirds of the planet's population. One objective is the Silk Road Economic Belt, which will pass from China to Europe through Central Asia. Another is the 21st century Maritime Silk Road, a planned link to Southeast Asia, the Middle East, and Africa along vital sea lanes. This strategy guarantees China a position that binds its economy more tightly with the rest of the world, ensuring that every trade decision has enormous potential implications for both developed and emerging markets.

Even if the Chinese economy was in an important downturn, it would remain the second largest economy in the world with financial ties in every continent. Dismissing the Chinese market now could leave businesses at a serious disadvantage to competitors who are maintaining their presence despite the current slowdown.

3. Rising Middle Class, Increasing Wealth

Regardless of what is taking place with the Chinese economy, consumption flows will increase significantly in the upcoming years. The main driver of this growth is an expanding middle class that is already larger than the entire U.S. population.

In fact, this transformation from heavy industry to a consumption-based and service-oriented economy is at the heart of the growing opportunities for Canadian companies. This, and an ever-expanding class of wealthy Chinese consumers willing to pay premium prices for premium products, is opening more doors for more Canadian companies. Everything from entertainment, leisure, education, care services for the elderly, and safe high-quality food is seeing tremendous leaps in demand. So the shift in Chinese demand is not only pivoting towards Canada's advantage, but it's also doing so at an impressive rate.

\$13 billion



Canadian Direct Investment Abroad (CDIA) in 2014

622



customers doing business in China and served by Export Development Canada (EDC).

RETHINKING YOUR CHINA STRATEGY

Misunderstood economic indicators, extensive global trade flows, and a growing middle class are three arguments for enduring a Chinese economic slowdown and preparing for the opportunities to come. In fact, many are doing exactly that, as the Canadian Direct Investment Abroad (CDIA) into China was nearly \$13 billion in 2014, up from just over \$10 billion in 2013. This number has been growing steadily since the 1990s—despite the growth slowdown.

The same trend can be seen in Export Development Canada's (EDC) numbers. In 2015, EDC served 622 customers doing business in China (352 of them being small-to-medium enterprises), the highest number of customers served in the market yet. And the large majority of Canadian companies that are established in China are saying that they are profitable and experiencing rapid growth.

With that in mind, companies may want to reflect about their position on China as its impact on the world economy continues to grow. While the overwhelming narrative out there might be negative, a deeper dive tells us there is still plenty to be excited about. If you haven't, it might be a good time to revisit your China strategy. 🍁



For the last four years, **Denis L'Heureux** has been the Chief Representative, Greater China, at *Export Development Canada*. His responsibilities cover transaction origination, business development, and relationship management for both Canadian and Chinese customers in Mainland China, Hong Kong, Taiwan, and Macau.



CHINA'S 13TH FIVE-YEAR PLAN (2016-2020)

Innovation, Green Development, Social Change, and Internationalization

by Yves Tiberghien

While much of the global financial community focused on slowing growth rates, bumps in the stock market, and uncertainties around the Renminbi in 2015-2016, the Chinese policy-making system worked around the clock to produce a new economic strategy for the next five years. The result of years of policy evaluation, coordination, and consultation, the new five-year plan carries the seeds of a major transformation in the Chinese economic model, should it be fully implemented. Even if global economic risks and internal imbalances provide a significant drag, global companies and policy-makers should pay close attention to the new strategic direction and raft of economic targets contained in the 13th five-year plan. These targets provide pointers to the new domains where public funds or incentives will be available and new economic sectors where market opportunities and new competitors will likely appear. They also provide a useful sense of the dominant discourse in China at the moment.

The long document indicates a continued search for a combination between market forces and state guidance. Whether this combination produces a positive equilibrium or a set of policy tensions remains yet unknown. At one level, the plan encourages innovation, decentralized entrepreneurship, global openness, a more predictable legal regime, state-owned enterprise (SOE) reforms, and decentralized consultation. At the same time, the state-led plan unfolds priority sectors, outlines major infrastructure investments, and strong state-led international leadership (including the Belt and Road Initiative). One key element to watch, of course, will be how far SOE reforms will go and whether the private sector will get enough space to unleash its innovation and entrepreneurial spirit, as outlined in the plan. At the level of discourse, the intention is there but vested interests will continue to constrain implementation.



The five-year plan is a bold new economic vision that opens new avenues for investments and partnerships for foreign players. It is an important program to integrate in corporate strategic plans with China.

OVERALL, THE FIVE-YEAR PLAN IS VISIONARY AND PRESENTS SOME EXCITING NEW TARGETS:

- The overall size of GDP is supposed to double by 2020 from the 2010 base. This implies a lower growth rate, the so-called “new normal,” with an annual rate of 6.5 percent per year from 2016 to 2020.
- GDP per capita is scheduled to rise from US\$7,800 in 2015 to US\$10,000 by 2020. This is a key step on the way to the goal of a “moderately prosperous society” (part of the “China Dream” and the “Four Comprehensives” outlined by President Xi Jinping).
- R&D investment will reach 2.5 percent of GDP.
- In order to decrease the demographic pressure on growth and slow the aging trend, China is moving from a one-child policy to a two-child policy.
- Urbanization is scheduled to increase from 55 percent of the population in 2015 to 60 percent in 2020, which translates into a resettlement of 100 million people over the next five years! New urban clusters are established in order to facilitate coordination in urban policy making (including pollution, water management, and transport). A major integrated cluster is the Jing-Jin-Ji cluster (Beijing, Tianjin, Hebei).

In order to achieve these targets and other social and environmental targets, the plan envisages a major inflection in the Chinese development model, the so-called rebalancing necessary to escape the “middle income trap.” The diagnostic is correct. The plan foresees a growth less reliant on heavy industries and exports, and thus on commodity imports. Instead, the key words are innovation, coordination, green growth, international openness and sharing.

In terms of innovation, China envisages a boost in science and technology, the spread of the Internet Plus to more domains and across all levels of supply chains and logistics (as spearheaded by Alibaba.com and Tencent), and support for “mass entrepreneurship.” The plan outlines greater autonomy for universities and research centres and cross-sectoral innovation partnerships.

There is a major focus on new types of services and consumption as part of the economic transition. Particular growth areas under services include health services (across the board), education, tourism, and urban welfare services.



It also outlines several sectors that are targeted for major support (“ten strategic priority industries”):

- next generation information technology,
- numerical control tools and robotics,
- aerospace equipment,
- ocean-engineering equipment and high-tech ships,
- railway equipment,
- energy saving and new energy vehicles,
- power equipment,
- new materials,
- medicine and medical equipment,
- agriculture machinery

Of course, it remains to be seen whether industrial policy tools will be equally effective in all ten sectors, even if China relies on SOEs for some of this work. SOEs are targeted for further restructuring and the planned exit of zombie companies, however, the plan mainly calls for mergers and acquisitions, rather than privatization. The share of SOEs in the total economy may well remain high over the next five years.



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A significant feature of the five-year plan is the continual focus on major infrastructure investment. That alone should have a considerable positive impact on growth and a transformative role. Among key targets, we can note the following:

- China plans to develop 30,000 km of additional high-speed rail by 2020, which would make China the number-one country in the world in terms of high-speed rail. New lines include Beijing-Kunming and Chongqing-Xiamen, to pick just two.
- 30,000 additional kms of expressways will also be developed.

Also essential in the new plan is the focus on green development and energy transition. China is now taking a serious turn toward renewable energy and seeking to leapfrog existing carbon-intensive technologies. This is a major takeaway in the new plan. Key targets include:

- encouraging initiatives that support “carbon-peaking,”
- developing pilot projects with near-zero emissions,
- seeking a green transformation of manufacturing and focusing on recycling,
- reducing agricultural pollution,
- ensuring 80 percent of days with low or moderate pollution by 2020 in urban centers,
- reducing resource consumption per unit of GDP: water by 23 percent, energy by 15 percent, CO2 emissions by 18% by 2020,
- increasing forest coverage to 23.04 percent,
- replacing coal and other carbon sources by systematically developing wind, solar, water, biomass, geothermal, and nuclear energy,
- investing in energy storage,
- encouraging more sustainable urban lifestyle (as part of the new urbanization plans).

China also plans a more proactive role in global economic governance from further free trade agreement development to the Silk Road and participation in arctic or ocean governance.

The five-year plan indicates a major policy investment into industrial transformation toward a more decentralized, innovative, internet-based, and green economy. It indicates that economic policy-makers do have a realistic view of constraints and requirements of the Chinese economic model. Parts of the plan are likely to be fully implemented, such as infrastructure development in China and on the Silk Road, or major investments toward a greener economy. Other parts, such as the institutional and legal software for a more advanced society are likely to involve clashes with vested interests and with the public security apparatus, and thus may have mixed outcomes. Nonetheless, the five-year plan is a bold new economic vision that opens new avenues for investments and partnerships for foreign players. It is an important program to integrate in corporate strategic plans with China. 🌸



Yves Tiberghien is the Director of the Institute of Asian Research at the University of British Columbia (UBC), Executive Director of the UBC China Council, Co-Director of the UBC Master of Public Policy and Global Affairs (MPPGA), and Associate Professor of Political Science. Among other things, he is working on a multi-year project on systemic risk and global governance innovation, with a particular focus on China's preferences and choices (including G20, climate change, AIIB, One Road One Belt).

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107 亿加元

主动管理的资产配置中QFII额度占比达

12 亿美元



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**TREIZIÈME PLAN QUINQUENNAL
DE LA CHINE (2016-2020) :**

Innovation, développement vert, changement social et internationalisation

par Yves Tiberghien

Le long document fait état de la recherche continue d'une combinaison entre les forces du marché et l'intervention de l'État. Nous ignorons encore si cette combinaison produira un équilibre positif ou une série de tensions politiques. D'un côté, le plan encourage l'innovation, l'entrepreneuriat décentralisé, l'ouverture internationale, un régime légal plus prévisible, les réformes des sociétés d'État et des consultations locales. De l'autre, le plan dirigé par l'État met en relief les secteurs prioritaires, les grands investissements dans les infrastructures et le fort leadership international étatique (y compris l'initiative La ceinture et la route). L'un des éléments clés à surveiller sera bien sûr la portée des réformes des sociétés d'État, mais également si le secteur privé se verra accorder suffisamment d'espace pour faire jouer son esprit d'innovation et d'entreprise tel que prévu dans le plan. Au niveau du discours, l'intention y est. Mais les intérêts acquis continueront de limiter la mise en œuvre.

**EN GÉNÉRAL, LE PLAN QUINQUENNAL EST
VISIONNAIRE ET PRÉSENTE QUELQUES NOUVELLES
CIBLES PROMETTEUSES :**

- L'importance générale du PIB devrait doubler d'ici 2020 par rapport à la base de 2010; cette augmentation implique un taux de croissance plus faible, la fameuse « nouvelle normalité, » qui correspond à un taux annuel de 6,5 % par an de 2016 à 2020.
- Le PIB par habitant devrait augmenter pour passer de 7 800 dollars américains en 2015 à 10 000 dollars en 2020. Cette augmentation constitue une étape clé vers l'objectif d'une « société modérément prospère » (qui fait partie du « rêve chinois » et de la stratégie en « quatre volets » énoncés par le président Xi Jinping).
- Les investissements en recherche et développement atteindront 2,5 % du PIB.
- Pour atténuer la pression démographique sur la croissance et ralentir la tendance au vieillissement, la Chine remplace la politique de l'enfant unique par la politique des deux enfants.
- L'urbanisation devrait s'accélérer pour passer de 55 % de la population en 2015 à 60 % en 2020, ce qui se traduira par une réinstallation de 100 millions de personnes au cours des cinq prochaines années! De nouveaux centres urbains sont créés pour faciliter la coordination dans l'élaboration des politiques urbaines (y compris la pollution, la gestion de l'eau et le transport). La mégapole Jing-Jin-Ji offre un exemple de grand centre intégré (Beijing, Tianjin, Hebei).

Pendant que la majeure partie de la communauté financière mondiale concentrait son attention sur le ralentissement des taux de croissance, les secousses du marché boursier et les incertitudes relatives au yuan en 2015-2016, les responsables de l'élaboration des politiques chinoises ont travaillé sans relâche pour produire une nouvelle stratégie économique pour les cinq prochaines années. Résultat de plusieurs années d'évaluation des politiques, de coordination et de consultation, le nouveau plan quinquennal porte les germes d'une transformation majeure du modèle économique chinois – si le plan est pleinement mis en œuvre. Même si les risques économiques mondiaux et les déséquilibres internes opposent une résistance importante, les entreprises et les décideurs internationaux devraient accorder une attention particulière à la nouvelle orientation stratégique et aux nombreuses cibles économiques contenues dans le 13e plan quinquennal. Ces cibles fournissent des indications sur les nouveaux domaines dans lesquels de l'aide et des fonds publics seront offerts et les nouveaux secteurs dans lesquels des débouchés commerciaux et de nouveaux concurrents devraient émerger. Ces cibles donnent également un sens au discours qui domine en Chine en ce moment.



Pour atteindre ces cibles et d'autres objectifs sociaux et environnementaux, le plan envisage une inflexion importante dans le modèle de développement chinois, soit le bien connu rééquilibrage nécessaire pour échapper au « piège du revenu intermédiaire. » Le diagnostic est correct. Le plan prévoit une croissance moins dépendante des industries lourdes et des exportations (et par conséquent des importations de produits de base). Les mots clés en vigueur sont innovation, coordination, croissance verte, ouverture internationale et partage.

En matière d'innovation, la Chine prévoit de stimuler les sciences et la technologie, d'étendre Internet Plus à un plus grand nombre de domaines et à tous les niveaux des chaînes d'approvisionnement et logistique (sur le modèle de Alibaba.com et de Tencent) et de soutenir « l'entrepreneuriat de masse. » Le plan projette d'accorder une plus grande autonomie aux universités et aux centres de recherche et de favoriser les partenariats d'innovation intersectoriels.

Le plan met un accent important sur de nouveaux types de services et de consommation qui s'inscrivent dans la transition économique. Les secteurs de croissance particuliers dans les services comprennent les services de santé (pour tous), l'éducation, le tourisme et les services de bien-être urbain.

Le plan cible également plusieurs secteurs qui seront soutenus de manière importante (« dix industries stratégiques prioritaires ») :

- Technologie de l'information de la prochaine génération;
- Outils à commande numérique et robotique;
- Équipement aérospatial;
- Équipement de génie océanique et navires de pointe;
- Équipement ferroviaire;
- Économies d'énergie et véhicules fonctionnant aux nouvelles énergies;
- Équipement énergétique;
- Nouveaux matériaux;
- Médicaments et matériel médical;
- Machines agricoles.

Évidemment, il reste à voir si les outils de politiques industrielles seront également efficaces dans les dix secteurs, même si la Chine compte sur les sociétés d'État pour effectuer une partie de ces efforts. Les sociétés d'État sont ciblées aux fins de la poursuite de la restructuration (et la fin prévue des sociétés zombies). Cependant, le plan recommande principalement des fusions et des acquisitions plutôt que des privatisations. La part des sociétés d'État dans l'économie totale pourrait demeurer élevée au cours des cinq prochaines années.



Le plan quinquennal offre une nouvelle vision économique audacieuse qui ouvre de nouvelles avenues pour les intervenants étrangers en matière d'investissements et de partenariats. Il forme un programme important, à intégrer dans les plans stratégiques organisationnels mûris avec la Chine.

Le plan quinquennal met un accent continu sur les grands projets d'investissement dans les infrastructures. Ces projets à eux seuls devraient influencer positivement sur la croissance et jouer un rôle transformateur. Parmi les cibles clés, citons les suivantes :

- La Chine prévoit construire 30 000 km de voies ferrées à grande vitesse supplémentaires d'ici 2020, ce qui positionnerait la Chine au premier rang dans le monde dans le domaine du rail à grande vitesse. Les nouvelles lignes comprennent Beijing-Kunming et Chongqing-Xiamen pour n'en citer que deux.
- La Chine construira également 30 000 km d'autoroutes supplémentaires.

Le nouveau plan accorde également une place essentielle au développement vert et à la transition énergétique. La Chine amorce aujourd'hui un important virage vers les énergies renouvelables et souhaite remplacer sans transition les technologies à forte intensité carbonique existantes. Il s'agit d'une composante majeure du nouveau plan. Les cibles clés comprennent :

- Encourager les initiatives à l'appui du principe du « pic de carbone »;
- Élaborer des projets pilotes aux émissions presque nulles;
- Viser la transformation verte de la fabrication et se concentrer sur le recyclage;
- Réduire la pollution agricole;
- Assurer des émissions faibles ou modérées 80 % du temps d'ici 2020 dans les centres urbains;
- Réduire la consommation de ressources par unité de PIB : eau 23 %, énergie 15 %, émissions de CO₂ 18 % d'ici 2020;
- Augmenter la couverture forestière à 23,04 %;
- Remplacer le charbon et les autres sources de carbone; développer de manière systématique les énergies éolienne, solaire, hydroélectrique, de biomasse, géothermique et nucléaire;
- Investir dans le stockage de l'énergie;
- Favoriser un mode de vie urbain plus durable (dans le cadre des nouveaux plans d'urbanisation).

La Chine planifie de jouer un rôle plus proactif dans la gouvernance économique mondiale, qu'il s'agisse du développement de futures zones de libre-échange ou du projet de la route de la soie, et de participer à la gouvernance de l'Arctique ou à la gouvernance des océans.

En résumé, le plan quinquennal annonce un investissement stratégique majeur dans la transformation industrielle aux fins d'une économie décentralisée, novatrice, fondée sur Internet et verte. Le plan témoigne du regard réaliste des décideurs économiques sur les contraintes et les exigences du modèle économique chinois. Certaines composantes du plan sont susceptibles d'être pleinement mises en œuvre, notamment la construction d'infrastructures dans le pays et sur la route de la soie ou des investissements importants en faveur d'une économie plus verte. En revanche, d'autres composantes, tel que le logiciel institutionnel et légal favorisant l'avancement de la société, pourraient se heurter aux intérêts acquis et à l'appareil de sécurité publique, et par conséquent produire des résultats mitigés. Néanmoins, le plan quinquennal offre une nouvelle vision économique audacieuse qui ouvre de nouvelles avenues pour les intervenants étrangers en matière d'investissements et de partenariats. Il forme un programme important, à intégrer dans les plans stratégiques organisationnels mûris avec la Chine. 🌟



Yves Tiberghien occupe les fonctions de directeur de l'Institute of Asian Research de l'Université de la Colombie-Britannique (UBC), de directeur général du China Council de l'UBC, de codirecteur de la maîtrise en politiques publiques et en affaires internationales de l'UBC et de professeur agrégé de sciences politiques. Il travaille, entre autres, à un projet pluriannuel sur les risques systémiques et l'innovation en matière de gouvernance mondiale, dans la perspective particulière des préférences et des choix de la Chine (y compris le G20, les changements climatiques, AIIIB, la ceinture et la route).



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CHINA MARKET RESEARCH: **How to Hit the Mark the First Time**

by Joseph Cooke



Doing business in China can be very different from doing business in Canada. Whether you're starting your business or are already established, knowing how to get the most out of your China target market without unnecessary expense and cost allows you to put much needed resources into growing the company. It's essential to long-term success and a healthy bottom line to understand this unique market. To do that, you need tailored, specific data in order to make the best and most-informed decisions.



How to Hit the Mark

Ask the Right Questions

Collecting Data: Quality and Quantity

Bringing It Together: Leveraging Data for Strategic Decision Making

The Rub

Situation 1

Last year, Canadian Company X signed a deal with a China distributor and was shown some lofty sales projections: revenue would skyrocket along with a booming China economy. They would handle the distribution and marketing and all Company X had to do was sit back and watch the money flow in.

One year later, revenue is hardly worth noting, distribution channels are not reliable or scalable, brand presence in China is fragmented, and trademark infringement is rampant. Where did Company X go wrong?

Situation 2

Three years ago, Canadian Company Y set up on the JD eCommerce platform and invested in “inside JD marketing” for their online store. They also opened a WeChat account and posted daily using a local translator. Although they’ve seen decent sales, their margins are thin, largely due to JD taking 30 percent off the top for managing payment and delivery. With all of the effort Company Y put in to making sales, it may not have been worth it given the net return. Another significant concern is if another eCommerce platform is, or becomes, a higher-volume seller of their product type. What happens then?

Obviously, companies X and Y didn’t make the best choice when they set up in China. What are their options now? If they switch strategies, what path should they take? What is the benefit versus cost of switching vendors?

Woulda, Coulda, Shoulda

Market research helps lay out all of your options before taking the plunge. A small investment in research can save you big money in the long run. Consider:

- *Money spent on salaries to set up and maintain China initiatives:* How many people have been in the China offices over the past months or years? Have they achieved the company’s objectives and targets?
- *Wasted ad spend:* Are you targeting the right demographics or using the most appropriate marketing channels in China?
- *Choosing the wrong distributor/eCommerce platform:* Was your selected vendor best suited to serve your target market? Did you compare them to others who could provide a similar service? How much do these companies charge? Is there a cost to terminate the contract? Have you looked into the costs and benefits of setting up your own distribution?
- *Too many SKU's or the wrong type of product for the Chinese market:* Is the product now stale? What were the shipping and warehousing costs?
- *Accessibility of your multi-lingual global site load in China:* Will it be blocked due to non-compliant code, such as links to social media or Google Analytics tracking code?

Remember, the China market is different from what we’re used to in Canada. You can avoid many costly and unfortunate situations as well as reduce your risk when you invest in market research. Taking the time up front will set you on the right track to succeed.

ASK THE RIGHT QUESTIONS

Once you’ve decided to invest some time and money in market research, what kinds of data are out there that will help you make better decisions and what are the methods for data collection?

Types of data can be broken down into a few categories: market supply and demand, competitive landscape, and channel, legal, and media options.



Market Supply and Demand

- How much product type is selling in China?
- What is the inventory turnover and how fast is it?
- What is the seasonality of demand?
- What are the customers’ comments on the product and general market sentiment?
- What are the threats to potential demand including trends, regulations, and new tech?
- How many similar products are being offered in-market and where are they offered or not offered?



Competitive Landscape

- Who are your competitors?
- How much are they selling?
- Where are they selling?
- How are they marketing their products?
- What keywords are they using on SEO and PPC?
- Are they using Key Opinion Leaders (KOL's)?
- What content have they disseminated on the web?
- What are they doing well and what are they doing poorly?
- Where is the “low-hanging fruit”?



Channel, Legal, and Media Options

- What are your distribution options?
- How can you achieve compliance in the different channels?
- How pervasive is counterfeit and trademark infringement?
- What are your options to remove violators?
- How can customers pay for your product?
- What are the tax implications for your channel setup and industry?
- Where can you advertise?
- What are the costs and the expected ROI?



Of course, every industry and product category requires its own set of questions to get the best answers. Fortunately, data professionals can help you uncover the right questions and the right answers that can lead to the biggest wins.



COLLECTING DATA: QUALITY AND QUANTITY

Depending on the questions asked, three methods for data collection are available: programmatic scraping, leveraging software, and manual collection.

Programmatic Scraping

Programmatic scraping sends virtual robots into the web to perform a range of dynamic actions including a review of your customer accounts and their shopping habits over a predetermined length of time. This returns thousands, if not millions, of data points that are “boiled down” by data analysts who compile concise reports with recommendations.

Scraping also collects content from blogs, wikis, new and social media, videos, and forums to determine how popular your brand is and provides you with public opinions about your brand. It can also develop a very useful ‘black-list’ of unauthorized content, counterfeits, and trademark violations.

Leveraging Software

Other automated methods that offer data collection are in-China web analytics, keyword tools, CRM, and social sentiment tools.

Web Analytics: Who’s visiting your website? Which website did they come from and which did they go to? Did they download your PDF or perform other actions on your site? Which pages did they spend

time on and what did they buy? As Google programs are blocked in China, it’s necessary to use specialty in-China analytics software, like WPIC’s Chinalytics, to attain crucial, accurate, and real-time data.

Keyword Tools: What is the search volume for related keywords? For pay-per-click (PPC) advertising, it’s essential to know who is buying the keywords, what are the prices, and which keywords are low in cost and high in traffic.

CRM: An in-China CRM can track all the forms filled out on your website and landing pages and track the distribution of those leads. By enabling your sales teams to record which leads were closed and their dollar value, you’ll be able to track the ROI on various marketing channels.

Manual Collection

While a great deal can be achieved using automatic means, manual data collection is always necessary to collect specific types of information. This involves teams of experienced data analysts who can pull useful data from the web, click-by-click.

These kinds of data collection activities provide you with a better understanding of the China market, your customers, competitors, and product or service offerings. The data can vary significantly from what you see in Canada, and this will give you targeted insight into your China business landscape.



BRINGING IT TOGETHER: LEVERAGING DATA FOR STRATEGIC DECISION MAKING

Collecting accurate data allows brands to form a solid positioning strategy that leads to an aggressive capture of China market share. From reliable data, budgets can be optimized by avoiding high-cost, low-benefit, saturated channels while providing transparency on ideal sales platforms, marketing verticals, and high-growth user segments.

The effective use of data scraping and analytics allows companies to map out long-term growth strategies in China. Not only does technology allow companies to get ahead of the curve, but also it continues to pay dividends over the long term by optimizing high ROI marketing efforts like Paid Search. These activities, such as using technology to compare ad campaign costs to dollar amounts of closed sales, give a clear picture of ROI. However, it’s important to note that such activities need to be carried out by experienced and knowledgeable individuals who specialize in the China marketplace so you hit the mark the first time. With robust data and accurate reporting, companies can confidently implement aggressive China strategies to capture market share. 🍁



Joseph Cooke is President and a founder of *Web Presence in China (WPIC)*, a Beijing-based IT and digital agency, where he drives growth and enterprise relationships with brands looking to engage and succeed in China’s internet marketplace. Joseph deals adeptly with the complexities of global business development, oversees strategic planning, and deployment of cross border projects. Web Presence in China has worked with over 200 global brands that are entering China as well as established companies growing their business in China.

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Là où le bât blesse

ÉTUDES SUR LE MARCHÉ CHINOIS :

Comment atteindre la cible du premier coup

par Joseph Cooke



Pour les entreprises canadiennes, l'approche en affaires peut être très différente en Chine. Qu'il s'agisse d'une nouvelle entreprise ou d'une entreprise déjà établie en Chine, il importe de savoir comment tirer le maximum du marché ciblé sans engager des dépenses inutiles pour investir un maximum de ressources dans la croissance de l'entreprise. Le succès à long terme et la rentabilité d'une entreprise reposent essentiellement sur la compréhension du marché chinois et, pour le comprendre, il est nécessaire de disposer de données spécifiques et personnalisées pour prendre des décisions éclairées.

Situation 1

L'an dernier, l'entreprise canadienne X a signé une entente avec un distributeur chinois à la lumière de projections de ventes intéressantes : le chiffre d'affaires de l'entreprise devait exploser dans l'économie en pleine expansion du marché chinois. Le distributeur chinois devait s'occuper de la distribution et de la mise en marché et l'entreprise X n'avait qu'à engranger les profits.

Un an plus tard, l'augmentation du chiffre d'affaires est à peine perceptible, les réseaux de distribution ne sont pas fiables ni évolutifs, la présence de la marque en Chine est fragmentée et les cas de contrefaçon sont nombreux. Quelles erreurs l'entreprise X a-t-elle commises?

Situation 2

Il y a trois ans, l'entreprise canadienne Y a adopté la plateforme de commerce en ligne JD en investissant dans des programmes de mise en marché pour sa boutique en ligne. L'entreprise a également créé un compte WeChat pour publier des messages quotidiens, par l'intermédiaire d'un traducteur local. Même si l'entreprise Y a constaté une augmentation décente de ses ventes, les marges sont minimales, principalement parce que la plateforme JD exige 30 % sur les ventes, pour la gestion des paiements et des livraisons. Compte tenu de tous les efforts que l'entreprise Y a déployés pour ces ventes, le jeu n'en valait peut-être pas la chandelle, étant donné le rendement de ces activités. L'entreprise Y se préoccupe également d'un autre détail. Qu'arriverait-il si le volume de vente de ses produits était plus élevé sur une autre plateforme de commerce en ligne?

De toute évidence, l'entreprise X et l'entreprise Y n'ont pas fait les bons choix en abordant le marché chinois. Quelles options s'offrent maintenant à ces deux entreprises? Si elles changent de stratégie, quelle voie devraient-elles emprunter? Quels seraient les avantages et les coûts associés à un changement de fournisseur?

Nous aurions dû...

Les études de marché permettent à une entreprise de connaître toutes ses options avant de prendre une décision.

Un petit investissement dans une étude de marché peut permettre d'économiser beaucoup à long terme. Prenez ces quelques éléments en considération :

- Dépenses en salaires pour la mise en place et le maintien d'initiatives en Chine : combien de personnes ont occupé les bureaux de l'entreprise en Chine au cours des derniers mois? Ces personnes ont-elles atteint les objectifs de l'entreprise?
- Dépenses inutiles en publicité : ciblez-vous les bons marchés et utilisez-vous les réseaux de mise en marché chinois les mieux adaptés?
- Choix du mauvais distributeur ou de la mauvaise plateforme de commerce en ligne : la plateforme ou le distributeur choisi représentait-il le meilleur choix pour le marché ciblé? Avez-vous comparé ces distributeurs ou plateformes de commerce en ligne à d'autres offrant des services semblables? Quels sont les frais de ces entreprises et existe-t-il des frais pour résilier un contrat? Avez-vous considéré les coûts et avantages associés à la mise en place de votre propre réseau de distribution?
- Produits trop nombreux ou mauvais type de produit pour le marché chinois : le produit stagne-t-il sur le marché? Quels sont les coûts associés à la distribution et à l'entreposage?
- Accessibilité d'un site international multilingue en Chine : le site sera-t-il bloqué en Chine pour des raisons de non-conformité, par exemple pour la présence de liens menant vers des sites de réseaux sociaux ou de code de suivi Google Analytics?

Le marché chinois est très différent du marché canadien. En investissant dans une étude de marché, vous pouvez éviter de nombreuses situations coûteuses et malheureuses tout en réduisant vos risques. Prenez le temps nécessaire dès le départ pour aborder le marché chinois du bon angle.

Comment atteindre la cible

Posez les bonnes questions

Collecte de données : quantité et qualité

Comment tirer avantage de ces données pour prendre des décisions stratégiques

POSEZ LES BONNES QUESTIONS

Une fois que vous avez décidé d'investir temps et argent pour mener une étude de marché, quelles données pourront vous aider à prendre de meilleures décisions et quelles méthodes devriez-vous adopter pour recueillir ces données?

Les données peuvent être réparties en quelques catégories :



Offre et demande

- Quel est le volume de vente du type de produit visé en Chine?
- Quel est le ratio de rotation de stock?
- Y a-t-il des fluctuations saisonnières dans la demande?
- Quels sont les commentaires des clients par rapport au produit et quel est le sentiment général constaté sur le marché?
- Quelles menaces pèsent sur la demande potentielle, y compris les tendances du marché, la réglementation et les nouvelles technologies?
- Combien de produits semblables sont offerts sur le marché et où ces produits sont-ils offerts?



Concurrence

- Qui sont vos concurrents? Quel est le volume de vente de vos concurrents? Quels sont les produits proposés par la concurrence?
- Comment vos concurrents mettent-ils leurs produits en marché?
- Quels mots-clés vos concurrents utilisent-ils dans les moteurs de recherche (SEO) et les liens commandités en paiement par clic (PPC)?
- Vos concurrents font-ils appel aux leaders d'opinion (KOL)?
- Quel genre de contenu la concurrence distribue-t-elle sur Internet?
- Quelles sont les forces et les faiblesses de la concurrence?
- Quelles sont vos cibles faciles?



Réseaux, options juridiques et médias

- Quelles sont vos options en matière de distribution?
- Comment pouvez-vous adopter une approche conforme pour les différents réseaux disponibles?
- Les cas de contrefaçon sont-ils omniprésents?
- Quelles sont vos options pour éliminer les contrevenants?
- Comment vos clients peuvent-ils payer vos produits?
- Quelles sont les implications fiscales pour votre réseau et votre industrie?
- Où pouvez-vous annoncer vos produits et services? Quels sont les coûts associés à la publicité et à quel genre de rendement pouvez-vous vous attendre?



Évidemment, chaque industrie et chaque catégorie de produit exige des questions précises pour obtenir des réponses pertinentes. Heureusement, les professionnels des données peuvent vous aider à poser les bonnes questions et à obtenir des réponses qui pourront vous mener sur la bonne piste.

COLLECTE DE DONNÉES : QUANTITÉ ET QUALITÉ

Selon la question, il existe trois méthodes de collecte de données : la méthode de grattage programmatique, la méthode logicielle et la méthode manuelle.

Méthode par grattage programmatique

Le grattage programmatique consiste à envoyer des robots virtuels sur Internet pour accomplir diverses actions dynamiques, y compris l'analyse des comptes des clients de votre entreprise et de leurs habitudes de consommation, ainsi que d'autres mesures, sur une période prédéterminée. Cette approche permet de recueillir des milliers, voire des millions de points de données qui sont compilées par des analystes pour produire des rapports concis présentant diverses recommandations.

Le grattage permet également de recueillir des données provenant de blogues, de wikis, de réseaux sociaux, de vidéos et de forums, pour ensuite déterminer le degré de popularité de votre marque et de vous présenter une vue d'ensemble de l'opinion du public à son égard. Cette approche permet également d'élaborer une liste noire très pratique pour recueillir des données relatives au contenu non autorisé par votre entreprise et aux contrefaçons.

Méthode logicielle

L'autre méthode automatisée de collecte de données repose sur l'utilisation d'outils d'analyse chinois, d'outils de gestion de mots-clés, d'outils de gestion des relations avec la clientèle et d'autres outils d'évaluation de perception sur les réseaux sociaux.

Web Analytics : Qui visite votre site Web? De quel site Web ces visiteurs arrivent-ils et vers quel site Web se dirigent-ils ensuite? Les visiteurs téléchargent-ils des documents PDF ou accomplissent-ils d'autres actions durant leur visite? Sur quelle page les visiteurs passent-ils du temps et quels produits ou services achètent-ils? Comme les programmes de Google sont bloqués en Chine, il est nécessaire d'utiliser des logiciels d'analyse chinois comme Chinalytics de WPIC pour recueillir des données essentielles et précises en temps réel.



Outils pour mots-clés : Quel est le volume de recherche associé à chaque mot-clé? Pour la publicité par liens commandités en paiement par clic (PPC), il est essentiel de savoir qui paie pour acheter les mots-clés, quels sont les prix exigés et quels mots-clés rapportent un trafic élevé à faible coût.

Gestion des relations avec la clientèle (CRM) : Un outil de CRM chinois peut vous aider à assurer le suivi de tous les formulaires remplis sur votre site Web, ainsi que des pages d'accueil et de la distribution de ces pistes. En permettant à vos équipes de vente de consigner les données concernant les pistes ayant mené à des ententes et la valeur de ces ententes, vous serez en mesure de déterminer le rendement des investissements dans divers réseaux de mise en marché.

Cueillette manuelle

Bien qu'il soit possible de recueillir beaucoup de données par des méthodes automatisées, la collecte manuelle de données est toujours nécessaire pour certains types très précis de données. Ces processus nécessitent la participation d'analystes de données d'expérience, qui peuvent recueillir des données utiles du Web.

Ces activités de collecte de données peuvent vous permettre de mieux comprendre le marché chinois, vos clients, la concurrence et les produits et services offerts sur le marché. Ces données peuvent être très différentes de ce qu'il est généralement possible de recueillir au Canada et peuvent vous permettre de mieux cibler le marché chinois.

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COMMENT TIRER AVANTAGE DE CES DONNÉES POUR PRENDRE DES DÉCISIONS STRATÉGIQUES

La collecte de données permet aux entreprises d'élaborer une stratégie de positionnement robuste pour conquérir le marché chinois. À partir de données fiables, il est possible d'optimiser les budgets pour éviter les réseaux saturés proposant des coûts élevés assortis à de faibles revenus, tout en fournissant des données transparentes sur les plateformes de vente idéales, les marchés verticaux et les segments d'utilisateurs offrant les meilleures perspectives de croissance.

L'utilisation efficace des données obtenues par le grattage et l'analyse permet aux entreprises de définir des stratégies de croissance à long terme en Chine. La technologie permet aux entreprises de devancer la concurrence, en plus de rapporter à long terme en favorisant l'optimisation du rendement des investissements des efforts de mise en marché, comme l'achat de mots-clés. Ces activités, comme l'utilisation des technologies pour comparer les coûts des campagnes de publicité au rendement des ventes réalisées, permettent d'avoir une vision d'ensemble du rendement des investissements. Toutefois, il importe

de noter que ces activités doivent être menées par des personnes d'expérience, spécialisées dans le marché chinois, pour bien faire les choses du premier coup. Avec des données fiables et des rapports précis en main, les entreprises peuvent en toute confiance déployer des stratégies dynamiques dans le marché chinois pour conquérir le marché. 🌸



Joseph Cooke est président et fondateur de Web Presence in China, une entreprise numérique dont le siège social se trouve à Beijing, spécialisée dans la croissance et les relations commerciales des entreprises cherchant à percer le marché Internet en Chine pour y réussir. M. Cooke traite de main de maître les diverses difficultés associées au développement commercial international en plus de superviser les processus de planification stratégique et de déploiement de projets à l'étranger. Web Presence in China a collaboré avec plus de 200 marques mondiales cherchant à percer le marché chinois ou à y développer leurs activités commerciales.



Celebrating Canada Day in Beijing!

A Taste of Canada – a Canadian Soiree and After Party was held at the stunning Phoenix Center where guests enjoyed a multi-course Canadian dinner with a Chinese twist that was created by Four Seasons Hotel Chef Sandeep Bhagwat. The sold-out event featured the **Hot Club of Beijing** with Quebecois singer **Marie-Claude LeBel** and the After Party rocked with Montreal's **Poirier**, and Nova Scotia's **Radio Radio** who turned up the heat with some Canadian electric hip-hop.



Guy Saint-Jacques, Ambassador of Canada to China and winner of two tickets on Air Canada.





Photo credit: Aaron Berkovich – Peking Productions

To view more photos of A Taste of Canada as well as the events leading up to the Dinner Soiree and After Party, please visit www.CCBC.com.

Organized by the Canada China Business Council and its Beijing Chamber of Commerce, **A Taste of Canada** was presented by Destination Canada and gave Chinese businesspeople and party goers the chance to sample some of Canada's finest fish, beef, pork, wines and icewines.

"We have decided that one of the best ways we can aid our various governments and private sector companies is to provide a platform to promote Brand Canada in China,"

said CCBC Executive Director, Sarah Kutulakos, in her welcome remarks. "This evening, we have 15 companies from six provinces showcasing the best, most diversified food products and cuisine anywhere. Canada is more than just great scenery. We have an exciting nightlife, diverse food and drinks, right across the country – and Canada is more "re nao" than most people give it credit for."

In his toast, Canada's Ambassador to China, Guy Saint-Jacques, extended his congratulations to

the Canada China Business Council "for putting on a fantastic Canada Day celebration once again. I am immensely grateful for CCBC's dedication to consistently deliver such high caliber events. Whether it is a banquet for political leaders, Christmas activities for families, or seminars to help Canadian and Chinese businesses succeed, CCBC is an active and trusted partner for our community and for the Canada-China relationship."

Canada's Ambassador to China continued,

"I look around the room this evening, and together, we have all contributed to Canada's strong and longstanding relationship with China, sincerely promoting mutual understanding and mutual prosperity. It's because of your hard work that Canada enjoys the reputation that it does here and around the world."

"Next year, in 2017, Canada will mark the 150th anniversary of Confederation. There will be even more fantastic events and reasons to celebrate!" 🍁

Reducing the Frequency and Cost of Litigation in China

—
AN OUNCE OF PREVENTION
IS WORTH A POUND OF CURE

by Louis A. Frapporti

There has been no shortage of commentary on the differences between, and disparate challenges posed by, Chinese and Western legal systems when it comes to the issue of litigation and dispute resolution. For Western companies doing business with or newly established in China, the Chinese legal system appears daunting if not impenetrable. Cultural differences, a challenging and unfamiliar regulatory framework, and disparate traditions, among other considerations, collectively lead to the view that litigation or other forms of dispute resolution are even more inefficient and uncertain than such efforts in the West. Whether or not this is accurate, and there is considerable evidence to suggest that it is not, it remains the case that small and mid-size businesses, which make up an increasing share of international and foreign investment and commercial activity in China, are slow to adopt best practices that mitigate the risk of disputes arising or, if arising, being resolved or adjudicated successfully and in a timely manner.

There are a variety of reasons for this, many of which are shared by both Western and Chinese companies. The most significant is the perception that lawyers are useful only in litigating disputes once they start rather than providing advice and counsel at the inception of a business or business relationship with a view to structuring practices or negotiating transactions to reduce the likelihood of loss.

Risk mitigation advice can take many forms and is relevant at every stage of a business's evolution. The following is a summary of the more commonly employed risk mitigation strategies which are proven to avoid loss and are of relevance whether conducting business in the West or Asia, or both. In approaching the issue, we have divided consideration of the issues into two categories. In the first instance, some of the more commonly considered steps relating to the set up and organization of a venture are considered, followed by a sampling of risk management strategies employed when conducting business with customers.



Structural or Organizational Risk Management

a. Corporate Structure

Among the first and most consequential decisions to be made is the corporate form a business is to take. These decisions are invariably a function of risk and financial/tax considerations, but the assessment of the most advantageous form of enterprise, with regard to any of a number of factors, is deserving of considered thought as well as legal and accounting advice at the earliest stages of planning. This is particularly true of enterprises that evolve multi-jurisdictionally. Western commercial enterprises considering investment and operation in China are faced with a myriad of choices including the Wholly Owned Foreign Enterprise (WOFE), Foreign Invested Commercial Enterprise (FICE), Joint Venture Company (JV) or Representative Office (RO), each with different benefits and limitations. Fully appreciating the costs, benefits and limitations of each structure with a view to corporate aspirations and the mitigation of risk warrants considered time and attention in consultation with knowledgeable advisors.

b. Operational Structure

The overwhelming majority of small to mid-size private companies evolve organically in furtherance of a business opportunity or as a consequence of the vision and success of one individual or family over time. In such an environment, corporate form invariably follows function. As needs arise, individuals are tasked with addressing those needs, accumulating or adopting titles along the way. However, consequential organic growth ultimately requires the utilization of a thoughtful and considered approach to systems, processes, and people. This is particularly true in the management and mitigation of risk. Companies that are able to successfully navigate risk domestically or multi-jurisdictionally create and empower roles that are designed to reduce or eliminate risk and can work effectively with the production or sales elements of an organization. Among the more notable examples of such roles and functions are credit management, in-house legal counsel, compliance officers, human resources professionals, corporate secretaries, and internal audit. Even in circumstances in which companies are unable to permanently staff such functions, obtaining advice and setting up processes with the help of external consultants, which may or may not include lawyers, will materially increase the likelihood that regulatory, civil or even criminal missteps will be avoided.

c. Insurance

Although historically misunderstood in China, where insurance is not universally considered a sound risk mitigation strategy, a considerable amount of operational risk can be addressed, at least insofar as direct financial losses are concerned, by a systematic approach to insurance coverage. An appropriate blend of property and casualty insurance, business interruption, trade credit, and other forms of insurance can prevent or significantly reduce losses associated with unforeseen contingencies. A thoughtful discussion with an insurance broker or specialist prior to engaging in a venture can therefore reap considerable benefit by avoiding catastrophic loss.



Transactional Risk Management

For business ventures of every type, disputes are an unavoidable occurrence. They can include conflict over the adequacy of products or services, governmental regulatory enforcement, failure to pay, conflict between shareholders or owners, and disputes between ownership and staff. Chinese businesses share the same antipathy to legal and other advice as a prophylactic or risk mitigation strategy that Western business people do. No business person wishes to engage lawyers or other consultants at significant cost prior to an actual acute or demonstrated need. They would rather hire a litigator to fight a dispute down the road than hire a corporate/commercial lawyer in the first instance to negotiate or structure an arrangement or contract in such a fashion as to avoid the need to litigate. As commonly, business people are reluctant to insist on the inclusion of terms protecting against downside risk for fear of losing a deal or sale. While the avoidance of upfront costs or difficult conversations is enticing, the absence of such basic risk mitigation often leads to considerably greater expense and loss in the long term.

A thoughtful approach to transactional risk mitigation would therefore include consideration of the following elements, particularly as it relates to the sale of products or services:

- The adoption of a systematic and disciplined approach to extending credit. The creation of standard form credit applications with the necessary financial and credit history information along with minimal due diligence (such as business name and corporate searches, credit references, credit reports, security searches, and personal guarantees where possible) are an integral part of risk avoidance.
- The creation and disciplined use of sales documentation which includes terms and conditions of sale, order acknowledgement documentation, and invoicing. Such documentation should include provisions dealing with the limitation of liability, governing law, applicable jurisdiction for dispute resolution, and reference to alternate forms of dispute resolution including international arbitration. (This is not an exhaustive list.)
- The careful and thoughtful translation of such documentation into English and Mandarin (or other languages, if required) by legal professionals who can attest to the accuracy of such translation.

- The careful training and audit of credit, production and sales staff to ensure that they appropriately use such forms without deviation.
- The creation, dissemination, and training of all personnel on the appropriate use of email in communicating with customers and suppliers with a view to avoiding unintentional contract amendments, costly admissions, prejudicial statements, or other legal entanglements.

Such best practices are merely examples of the sort of risk management strategies warranting the engagement and use of lawyers and other skilled professionals at the inception of a venture or business transaction. All of which is aptly captured by that old Western aphorism, "An ounce of prevention is worth a pound of cure." ✨



Louis Frapporti is a partner in Gowling WLG's Hamilton, Ontario, office and is also a member of the firm's Insurance and Product Liability National Practice Group. The focus of Louis' practice has been representing Canadian, U.S., European and Chinese corporations, particularly manufacturers and insurers, in the defence or prosecution of product liability, negligence and/or breach of contract claims.



Comment réduire la fréquence et les coûts des procès en Chine

par Louis A. Frapporti



Nombreux sont ceux qui ont commenté les différences existant entre les systèmes juridiques chinois et occidentaux, de même que les défis qu'ils représentent en ce qui concerne le problème des contentieux et de résolution de litiges. Pour les entreprises occidentales faisant des affaires en Chine, comme pour celles qui viennent tout juste de s'y établir, le système juridique chinois peut sembler intimidant, voire impénétrable. Les différences culturelles, l'existence d'un cadre réglementaire complexe et étranger, des différences dans les traditions, entre autres considérations, peuvent créer l'impression que les litiges et autres formes de résolution de conflits sont encore plus inefficaces et incertains que les efforts similaires déployés en occident. Que cette impression soit représentative ou non de la réalité, il n'en demeure pas moins que les petites et moyennes entreprises, qui composent une proportion grandissante des activités commerciales et des investissements étrangers en Chine, font preuve de trop de lenteur dans l'adoption de pratiques exemplaires servant à atténuer les risques de litiges ou, dans les cas de litiges inévitables, à obtenir résolution ou jugement en temps opportun.

Il existe de nombreuses raisons pour expliquer ce phénomène, attribuables tant aux entreprises

occidentales que chinoises, dont la plus importante étant la perception voulant que les avocats servent uniquement dans les cas de litiges, et non pour prodiguer des conseils au moment même de la création d'une entreprise ou d'une relation commerciale, dans le but d'ériger des structures encadrant les pratiques et la négociation, et ainsi réduire les probabilités de pertes.

Les conseils des avocats visant à atténuer les risques peuvent prendre plusieurs formes et ces conseils sont pertinents durant toutes les étapes du processus évolutif d'une entreprise. Vous trouverez ici un résumé des stratégies d'atténuation des risques les plus communes, dont les résultats éprouvés permettent d'éviter les pertes, des stratégies tout aussi pertinentes en occident, en Asie ou dans ces deux régions. Pour aborder le problème, nous avons divisé les considérations en deux catégories. Dans un premier temps, nous avons rassemblé les étapes les plus fréquentes en ce qui a trait à la fondation et à l'organisation d'une entreprise, puis nous avons recueilli divers exemples de stratégies de gestion des risques déployées dans le cadre d'activités commerciales avec les clients.



Gestion des risques organisationnels ou structurels

a. Structure d'entreprise

La forme de société figure parmi les décisions les plus importantes à prendre pour une entreprise. Cette décision dépend invariablement des risques et des considérations financières de l'entreprise, mais la forme d'entreprise la plus avantageuse doit faire l'objet d'évaluations en ce qui a trait aux facteurs devant être pris en considération, ainsi qu'aux conseils comptables reçus durant les étapes préliminaires de planification. Cette décision est particulièrement importante pour les entreprises évoluant dans plusieurs juridictions. Les entreprises occidentales se penchant sur la possibilité d'exploiter des entreprises en Chine sont confrontées à une multitude de choix de forme : l'entreprise étrangère à part entière (« Wholly Owned Foreign Enterprise » ou WOFE), la société commerciale à capitaux étrangers (« Foreign Invested Commercial Enterprise » ou FICE), la société commune (« Joint Venture » ou JV), ou encore le bureau de représentation (« Representative Office » ou RO). Chacune de ces formes propose des restrictions et des avantages distincts. L'évaluation des coûts, des avantages et des restrictions de chacune de ces structures d'entreprise, ainsi que des aspirations de l'entreprise et de son approche en matière d'atténuation des risques, justifie de porter une attention particulière au processus et de prendre le temps nécessaire pour consulter les conseillers avisés en la matière.

b. Structure opérationnelle

La très grande majorité des petites et moyennes entreprises évoluent de façon organique dans la continuité de la capacité d'une personne ou d'une famille de profiter des perspectives commerciales ou du succès de sa vision dans le temps. Dans un environnement semblable, la forme commerciale d'une entreprise suit invariablement sa fonction. Au fil de son évolution, les personnes concernées doivent répondre aux besoins de l'entreprise en cumulant et en adoptant divers titres. Toutefois, la croissance organique nécessite inévitablement le déploiement d'une approche systémique bien réfléchie. C'est particulièrement vrai en ce qui a trait à la gestion et à l'atténuation des risques. Les entreprises qui parviennent à esquiver les risques sur le marché intérieur ou dans plusieurs juridictions créent des rôles conçus pour réduire ou éliminer ces risques et peuvent ensuite travailler efficacement avec les membres des équipes de production ou de vente d'une organisation donnée. Il existe de nombreux exemples probants de ces rôles et fonctions : gestionnaires de crédit,

conseillers juridiques internes, agents de conformité, professionnels des ressources humaines, secrétaires de conseils d'administration et vérificateurs internes. Même dans les cas où les entreprises ne sont pas en mesure de se doter de ces fonctions de façon permanente, l'obtention de conseils et l'établissement de processus avec l'aide de conseillers externes, y compris d'avocats, peuvent réduire la probabilité de commettre des faux pas pouvant conduire à des procès au civil ou même au criminel.

c. Assurance

Bien qu'elle soit mal comprise en Chine, où l'assurance n'est pas universellement considérée comme une stratégie saine en matière d'atténuation des risques, une part importante du risque opérationnel peut être contrôlée, du moins en ce qui concerne les pertes financières directes, en adoptant une approche systématique dans la couverture d'assurances. Un mélange adéquat d'assurances des biens et d'assurances générales, d'assurances de dommages et de pertes d'exploitation, d'assurance-crédit et d'autres formes d'assurance peut prévenir ou grandement réduire les pertes associées aux conséquences des imprévus. Avant de s'engager dans un projet, une discussion approfondie avec un courtier en assurances ou un spécialiste peut conférer à une entreprise des avantages considérables en lui permettant d'éviter des pertes catastrophiques.





Gestion des risques transactionnels

Tous les types d'entreprises connaissent des litiges. Ces litiges peuvent porter sur la qualité de produits ou de services, l'application de la réglementation d'un gouvernement, les manquements aux paiements, ou encore découler de conflits entre actionnaires et propriétaires, ou entre propriétaires et employés. Les entreprises chinoises partagent la même antipathie que les entreprises occidentales envers les conseils juridiques et autres stratégies d'atténuation de risques. Aucun entrepreneur ne souhaite faire appel à des avocats ou des conseillers juridiques et payer des frais importants avant qu'un besoin réel ne se fasse sentir. Ils préfèrent engager les services d'un avocat plaidant pour régler un litige plutôt que d'engager en premier lieu un avocat commercial pour négocier la structure d'un contrat ou d'une entente afin d'éviter tout litige. Par ailleurs, les entrepreneurs sont tout aussi hésitants à inclure des conditions de protection contre les risques aux ententes en cours de négociation, de peur de voir l'entente ou la vente échouer. Si l'idée d'éviter les coûts initiaux et les conversations difficiles qui découlent de ces décisions peut sembler alléchante, à long terme, l'absence de mesures élémentaires d'atténuation de risques mène souvent à des dépenses beaucoup plus importantes et à des pertes.

L'adoption d'une approche réfléchie en matière d'atténuation des risques transactionnels devrait par conséquent comprendre la prise en considération des éléments suivants, particulièrement en ce qui a trait à la vente de produits et de services :

- a. L'adoption d'une approche systématique et disciplinée en matière de crédit. La création de formulaires standards de demande de crédit comprenant les renseignements financiers et l'historique de crédit, ainsi que les vérifications nécessaires (comme le nom de l'entreprise et champs de recherche, les références et rapports de crédit, les champs de recherche en matière de sécurité, ainsi que les documents de cautionnement personnel, s'il y a lieu) font partie intégrante des mesures d'évitement des risques.
- b. La création et l'usage discipliné de documents de vente divers, y compris les conditions générales de vente, les documents d'accusé de réception de commande et la facturation. Ces documents devraient contenir les conditions concernant les limites de responsabilité, le droit applicable, la juridiction compétente pour la résolution de litiges, ainsi que des références aux différentes options de règlement de litiges, y compris l'arbitrage international. (Cette liste n'est pas exhaustive).

- c. La traduction minutieuse de ces documents en anglais et en mandarin (ou en d'autres langues, au besoin) par des professionnels en traduction juridique qui peuvent attester l'exactitude de ces traductions.
- d. La formation soigneuse et la vérification des aptitudes du personnel de crédit, de production et de vente afin de s'assurer qu'ils utilisent adéquatement de tels formulaires sans écart de forme.
- e. La création, l'affectation et la formation du personnel en ce qui a trait à l'utilisation du courriel pour communiquer avec les clients et les fournisseurs afin d'éviter tout amendement involontaire aux ententes, aveux coûteux, propos préjudiciables et autres imbroglios juridiques.

Ces pratiques exemplaires ne sont que des exemples de stratégies de gestion du risque justifiant l'embauche d'avocats et d'autres professionnels compétents au tout début d'un projet ou d'une transaction commerciale. Toutes ces mesures sont très bien illustrées par le vieil adage occidental « mieux vaut prévenir que guérir ».

Louis Frapporti est un partenaire des bureaux de Gowling WLG à Hamilton, en Ontario, en plus d'être membre du groupe Assurance et responsabilité professionnelle. Dans sa pratique, M. Frapporti a représenté diverses entreprises canadiennes, américaines et chinoises, particulièrement des fabricants et assureurs, dans des dossiers de défense ou de poursuite en matière de responsabilité du produit, de négligence ou de manquement à des obligations contractuelles.





降低在中国的 诉讼频率和成本

一分预防胜过十分治疗

文Louis A. Frapporti



谈到诉讼和争议的解决，不乏相关的评论报道介绍中西方法律制度的差异，以及中西方法律制度带来的不同挑战。对于在中国开展业务或在中国新成立的西方公司来说，中国的法律制度即使不是遥不可及，也会令之怯步。在存在文化差异、具有挑战性的陌生监管框架、不同的传统，以及其他因素的共同作用下，形成了这样一种观点，即：在中国，诉讼或其他形式的争议解决相比较于西方，效率更低，不确定性更高。无论这种观点是否准确，但大量证据表明事实并非如此。加拿大中小企业在对中国的国际投资和商务活动中所占的比例日益增加，但他们实施“最佳实践”进度缓慢，而这些“最佳实践”才能够减少引发争议的风险，或在引发争议后成功及时地解决或裁定争议。

形成这种局面的原因有很多，许多原因在西方公司和中方公司都有体现。最重要的一点是：他们认为律师只有在发生诉讼争议时才发挥作用，而非在建立企业或业务关系时提供建议和忠告，帮助企业制定制度或协商交易，以降低损失发生的可能性。

风险规避咨询可以采取多种形式，关乎于企业的每一发展阶段。下文总结了比较常用的减轻经营风险的策略，经实践证明它们确实可以避免损失，而且这些策略对于无论在西方或亚洲，或是同时在两个地区经商的公司都很有帮助。为了解决问题，我们将问题划分为两个类别。首先，讲述设立合资公司比较常用的步骤，之后举例说明在与客户开展业务时采用的风险管理策略。



结构或组织的风险管理

a. 公司架构

企业想要采取哪种公司形式是最初要做的最重要决定之一。企业需要首先做出这些决定，才能考虑风险和财务/税务等事项，然而无论涉及多少因素，评估企业的最高级形式，以及在最早规划阶段获得法律和财务建议都是值得考虑的。对于跨多个管辖区发展的企业来说更为重要。那些期望在中国投资和运营的西方企业，将面临着多种多样的企业形式选择：包括外商独资企业(WOFE)、外商投资商业企业(FICE)、合资公司(JV)，以及代表办事处(RO)；每种企业形式都有其优势和不足。我们需要着眼于公司意愿和保证减轻风险的前提下，帮助企业充分认识每种架构的成本、优势以及不足，再在此基础上考虑咨询掌握相关知识的顾问的时间与注意事项。

b. 运营架构

绝大多数中小型民营企业，在促进商业机会的过程中，由于个人愿景和家庭成功等因素，造成了欣欣向荣的景象。在这种情形下，公司形式总是追随功能性。个人的

目的解决需求，积累经验，升职加薪。然而，自然发展最终需要对企业系统、处理流程以及人员管理方面进行缜密的核查。这对于管理和风险规避尤为重要。那些成功减少或规避风险的公司，都会设置专有职位。专业职位包括：信用管理、内部法律顾问、法规事物人员、人力资源专业人士、公司秘书和内部审计。即使公司无法固定配备此种职能人员，借助外部顾问（包括或不包括律师）的帮助获得建议和建立流程，将大幅提高规避发生法规监管、民事甚至刑事过失的可能性。

c. 保险

尽管中国的保险在历史上曾被误解，不被普遍认为是它能够化解大量运营风险的良好风险消减策略，但其至少在直接财务损失范围内提供保险责任范围的系统性解决方法。适当组合购买财产险、业务运营中断险、贸易信用险和其他形式的保险，能够防止或显著减少与不可预见的意外事件相关的损失。在从事风险事物之前，与保险经纪人或专员进行缜密探讨，可以通过避免灾难性的损失而收获相当大的利益。

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交易风险管理

任何类型的企业都是不可避免纠纷和争议的。它们包括产品或服务充足性方面的冲突、政府法规执行、未按时付款、股东与所有者之间的冲突，以及所有者与员工之间的纠纷或争议。中西方企业均反感作为“打预防针式”的法律和其他建议，对风险减缓策略也不感兴趣。没有商人愿意在紧急事件实际发生前或确实有需要之前，用很高的成本让律师或其他顾问涉及到业务当中。他们宁愿雇佣诉讼律师打赢官司，也不愿意为了避免诉讼需要，从一开始就雇佣公司/商业律师来帮助协商或制定协议或合同。普遍来讲，商人不愿坚持纳入防范跌价风险是因为害怕失去生意或销售机会。尽管人们愿意避免高额成本的前期投入，但是缺乏此种基本的风险规避措施，从长期来看，也会导致花费更多的费用和造成更多的损失。

周全的交易风险消减方式包括下列方法，特别是当它与产品或服务的销售相关时：

- 公司采用系统的、规范的方法来扩大信贷，标准形式信贷应用程序的创建需包含必要的财务和信用历史信息，及最小程度的尽职调查（例如，企业名称和企业搜索、资信证明、信用报告、安全搜索，和在可能情况下的个人担保），这些都是风险规避中不可或缺的组成部分。
- 创建并严格使用销售文件，其中包括销售条款和条件，订单确认文件，与开具的发票。这类文件应包括责任限制条款处理、管制法律、解决争议和借鉴争端解决的替代形式，包括国际仲裁适用的管辖权。（这不是详细清单。）
- 用懂法律的专业人士将此类文件翻译为英语和中文普通话（或按需翻译为其他语言）。
- 精心的培训，和审核信贷、生产和销售人员，从而确保他们适当地使用上述文件，避免发生偏差。
- 为所有员工创建电子邮件并培训他们正确使用电子邮件与客户和供应商沟通，避免无意识的合同修正、准入许可、带有偏见的条款，或其他法律纠纷。

此“最佳实践”仅仅是风险管理策略的范例，可保证在商业冒险或商业交易开始前，就引入和使用律师或其他有技能的专业人士。俗语说：“一分预防胜过十分治疗”。★

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Courting China's Students

Good for Canada's Businesses

by Karen McBride



China has been a major driver of the global growth in student mobility in recent decades, and it remains the world's leading source of internationally mobile students today. No other country sees as many of its students studying abroad and its impact on the internationalization of education worldwide is undeniable. In Canada, students from China account for one third of the international student population. In 2014, Canada welcomed about 110,000 Chinese students, an increase of 16 percent over the previous year.

In spite of these high numbers, recent reports would seem to indicate that the overall rate of growth is slowing. The Chinese Ministry of Education recently reported that students are staying home, drawn by the country's strong institutional brands. Of those who do study abroad, roughly 70-80 percent, are returning to

China due to its relatively robust domestic job market. It is expected, though, that the desire for study abroad will remain strong as China's growing middle class drives the demand and decisions to invest in education are made years in advance.

Foreign degrees remain highly regarded by Chinese employers and recent fluctuations in the yuan will likely not have an impact in the short term. That is a good thing because Chinese students contribute significantly to Canada's economic, social, and cultural prosperity. Every year, Chinese students bring billions of dollars into Canada. In 2010, international students spent in excess of \$7.7 billion on tuition, accommodation, and discretionary spending, created over 81,000 jobs, and generated more than \$445 million in government revenue. It is estimated that nearly one third of that revenue came from China.



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“The Canada-China Scholars Exchange Program (CCSEP) is so valuable and meaningful because it provided me with a precious opportunity to do further studies in Canada. Not only did I deeply experience the kindness and friendship of the Canadian people, but I also comprehensively learned about Canada’s harmonious multiculturalism and peaceful diversity through the colourful social events in Ottawa. Furthermore, my teaching method and research methodology were greatly refreshed and upgraded through my participation in my supervisor’s class at the University of Ottawa.”

Dr. Xiao Qiong, University of Ottawa
China Scholars Exchange Program Awardee (2011)

Aside from contributing to the Canadian economy, Chinese students can help boost our country’s presence and business relations in China. Collaboration between Canada and China is critical for business success, and education is a key driver. In experiencing Canada’s quality of life, culture, and products and in taking advantage of work opportunities while studying here, students become familiar with Canadian society and its business environment. These experiences relayed back home in China create goodwill and awareness of Canada as a great place to visit and do business. It is important that Canada stays in touch with these Chinese alumni once they return and keeps the connections open and active. In this global marketplace, these relationships can go a long way towards developing business relationships and opportunities.

But that is just one side of the coin. For its part, Canada must do more to encourage Canadians to study in China. Annually only 3.1 percent of full-time Canadian undergraduate university students have an education abroad experience, while the number is even lower for full-time college students at 2.5 percent. This is despite reports from Canadian students who have studied abroad on the transformational nature of the experience, its many contributions to their academic and career achievements, its value in enhancing their communication skills, self-awareness, and adaptability. And it is not only participating students and their institutions who value the career skills they gained.

In a 2015 survey by the Leger polling firm, 82 percent of employers who hire recruits with international experience reported that these employees enhance their company’s competitiveness. Two-thirds of hiring managers stated that Canada is in danger of being left behind by the growing economies of China, India, and others unless young Canadians learn to think more globally. The economic implications for Canada are significant given that it is a country heavily dependent on international trade, accounting for about 3.3 million jobs. We need to develop our talent to ensure that we are competitive.

One way is through the Canada-China Scholars Exchange Program (CCSEP) which the Canadian Bureau for International Education (CBIE) administers on behalf of the Government of Canada. This program, which was launched in 1973 and was recently renewed, is designed to enhance Chinese and Canadian students’ and professionals’ knowledge and understanding of each other’s country, and it would seem to be working, given recent feedback from participating students:

“The Canada-China Scholars Exchange Program (CCSEP) is so valuable and meaningful because it provided me with a precious opportunity to do further studies in Canada. Not only did I deeply experience the kindness and friendship of the Canadian people, but I also comprehensively learned about Canada’s harmonious multiculturalism and peaceful diversity through the colourful social events in Ottawa. Furthermore, my teaching method and research



methodology were greatly refreshed and upgraded through my participation in my supervisor’s class at the University of Ottawa.”

Dr. Xiao Qiong, University of Ottawa
China Scholars Exchange Program Awardee (2011)

While academic institutions are well placed to create opportunities for integration and engagement of international students through mentoring and student support services, the broader understanding of how Canadians negotiate, analyze, connect, and engage in the working world are not as obvious. Canadian businesses can play a critical role as cultural ambassadors and there are plenty of opportunities to build on the institutions’ support of international students by actively engaging in co-op programs, hosting employer information sessions both on campus and in the business environment, and connecting and communicating with students more purposefully.

Canada is not alone in the growing and lucrative education market. Australia, the United Kingdom, and the United States actively compete for a share of the student market in countries such as China, India, and South Korea where demand for overseas education is strong. It is crucial for Canada to promote its education brand around the world and to market the value of education in Canada to parents and students in China by demonstrating that connections made through education lead to meaningful and lasting engagement and opportunities in the business world.



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The bottom line is that attracting international students to Canadian universities and colleges is good for business and good for Canada. With a new government and a new prime minister in Ottawa, the media reports that Chinese leaders are predicting that Canada and China are set to enter a new “golden era” and appear optimistic about further co-operation between our two countries. It seems like the time might just be right for a renewed focus on Canada-China relations through the lens of international education. 🍁



Karen McBride is President and CEO of the Canadian Bureau for International Education. She has led policy development and advocacy efforts at national and international levels, research initiatives on the strengths and challenges of international education in the Canadian context, and major programs supporting international cooperation in education.



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文/Karen McBride



近几十年来，中国一直是全球留学生日益活跃的主要驱动力，如今仍然是国际留学生的主要来源地，其他国家都没有出现过规模如此庞大的海外留学生。中国海外留学生对全球教育国际化产生了推波助澜的作用。在加拿大，中国留学生的数量占国际学生总数的三分之一。2014年，加拿大迎来了约110,000名中国学生，比上一年增加了16%。

虽然留学生数量众多，但近期报告指出，总体增长率有所降低。中国教育部报告称，一方面，学生们深受国内名牌院校吸引，选择在国内院校就读；另一方面，国内就业市场良好，约70%-80%的留学生选择回国就业。尽管如此，中国人依然渴望到海外留学，因为中国中产阶级的人数在不断增加，中国的雇主也非常认可国外学位，在孩子年幼时，父母就为他们准备出国留学等事宜，这也促进了海外留学需求量的增加。

近期人民币汇率波动在短期内不会造成不良影响，这是件好事。中国留学生为加拿大的经济、社会和文化繁荣做出了显著贡献。每年，中国留学生为加拿大带来数十亿的加币收入。2010年，加拿大留学生的学费、食宿费和自由支配的个人消费达到了77亿加币，创造了多于8.1万个就业岗位，为政府带来了超过4.45亿加币的财政收入，据估计，其中接近三分之一的收入来自于中国。

中国留学生不仅为加拿大的经济做出了贡献，而且也极大地提升了加拿大在中国的影响力，促进了中加两国商业往来，与中国企业合作是加拿大企业获得成功的关键所在，而教育是其核心驱动力。学生们在加拿大留学期间，通过体验加拿大的高品质生活、感受加拿大文化、

使用加拿大产品并利用各种工作机会，深入了解加拿大的社会环境及商业环境，并把这些经历传递回中国，塑造了加拿大的良好声誉，提高了加拿大在中国的认知度，加拿大是很好的旅游和经商之地。加拿大学生与毕业回国的中国留学生校友仍然保持联络，这是很重要的。在全球市场中，这些关系对于发展业务和挖掘商机大有裨益。

中国学生到加拿大留学只是一方面，加拿大也应该大力鼓励加拿大人赴华学习。每年，只有3.1%的全日制加拿大大学本科学生到海外学习，而加拿大全日制专科学生的比例更低，仅为2.5%。有些具有海外留学经历的加拿大学生报告称，留学是非常重要的经历，不仅对他们的学术研究和职业发展大有帮助，而且提高了其沟通技能和适应能力，加强了自我认知意识，不仅学生重视所学到的职业技能，用人单位也很重视这些技能。

2015年，Leger民意调查公司的一份调查表明，在雇佣拥有海外留学经历人员的雇主中，82%的雇主表示这些员工增强了公司的竞争力，三分之二的招聘经理指出，加拿大面临落后于中国、印度等新兴经济大国的危机，加拿大年轻人需要用全球化的思维考虑问题。加拿大的经济非常依赖国际贸易，该行业提供了约330万个就业岗位，在加拿大的经济中占有举足轻重的地位。

加拿大需要培养人才，确保竞争力。一种方法是使用中加学者交换项目(CCSEP)，由加拿大国际教育局(CBIE)代表加拿大政府管理。项目于1973年启动并于最近重新启动，旨在增强中加两国学生的专业知识，加深对彼此国家的了解。从近期参加项目的学生反馈来看，中加学者交换项目(CCSEP)是行之有效的。



“中加学者交换项目(CCSEP)具有很高的价值和意义,它为我提供了在加拿大深造的宝贵机会,我不仅体会到了加拿大人民的善良和友好,而且通过在渥太华举办的形式多样的社会活动中,我全面了解了加拿大和谐的多元文化。另外,通过参加渥太华大学论文导师的课程,极大的改进了我的教学方式和研究方法。”

渥太华大学 Xiao QIONG 博士
中加学者交换项目奖学金获得者 (2011)

2010年,加拿大留学生的学费、食宿费
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8.1万个就业岗位

为政府带来了超过

4.45亿加币

的财政收入

据估计,其中接近

三分之一

的收入来自于中国

虽然各种学术机构都具有得天独厚的优势条件,可以通过辅导、支持学生服务、帮助国际交流学生融入周围环境、参与各种活动,但要想更广泛地了解加拿大人在工作场合中如何谈判、分析、联络和参与,就没有那么容易了。加拿大企业可以扮演文化大使这一重要角色,把握大量机会,通过积极参与合作项目、在校园和商业环境中举办雇主信息交流会、有目的地与学生联络和沟通,加强对国际交流学生的支持。

在不断发展且利润可观的教育市场中,加拿大并不是唯一面临上述情况的国家。澳大利亚、英国和美国都在积极争取中国、印度和韩国等对海外教育有着强烈需求的国家的学生市场份额。对于加拿大来说,通过向外界展示教育结成的关系有助于在商界持久立足、寻求商机,从而向全世界推广教育品牌、向中国的学生和家长宣传加拿大教育的价值,这是非常重要的。

总之,吸引国际学生到加拿大大学或专科就读,对加拿大和其企业皆有好处。在渥太华新政府组建和新总理上任后,媒体报道称,中国领导人表示中加关系将进入新的“黄金时代”,并对两国之间的进一步合作持乐观态度。这似乎是透过国际教育的镜头,重新聚焦中加关系的好时机。✶



Karen McBride是加拿大国际教育局总裁兼CEO,负责国内和国际教育政策开发与宣传工作、有关加拿大国际教育的实力与挑战的研究项目以及支持国际教育合作的主要项目。

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我们有幸在中国获得了强大支持,这为宏利作为全球的企业翘楚打下了成功基石。





What you need to know about Employment Law in China

One of the largest and most important investments

you're going to make in your business is in your employees. To ensure that you protect yourself and your business, it's crucial to understand labour laws in China and abide by them to avoid any unnecessary—and potentially costly—consequences.

As lawyers, we receive many employment questions that are common to companies launching in China as well as from those who have been in China for a period of time. These concerns weigh heavily on the minds of business owners and entrepreneurs and we'll address them in the pages that follow.

While the area of employment law is vast and detailed¹, this article provides an overview, a primer if you will, on five specific categories and describes how they can affect your China business. While it's best to know these before you create and sign contracts with your new employees, it's still essential to be aware of and uphold them during, and after, all your employment contracts.

THE CATEGORIES ARE:

1. **Labour Agreements**
2. **Wages, Benefits, and Social Security**
3. **Non-Compete and Confidentiality**
4. **Termination and Layoffs**
5. **Labour Arbitration and Dispute Resolution**

Please note that the information provided in this article describes employment standards in China but they are not case or industry specific and are not intended as legal counsel. Please refer to your legal advisor for all such employment matters.

LABOUR AGREEMENTS Types of Employment Contracts

First, let's start with the types of employment contracts we have in China and what each means to you, the employer. These contracts are divided into part-time and full-time and the differentiators are as follows:

Part-Time Contracts

In part-time contracts, employees work, on average, no more than four hours per day and no more than a total of 24 hours per week.

Full-Time Contracts

Full-time contracts are divided into three types. They are:

1) Fixed Term

This type of contract has an agreed-upon expiry date at the outset of employment.

2) Open-Ended or Non-Fixed Term

Here, there is no expiry date stipulated.

3) Project-based or Completion of Defined Task

The contract expires on the completion of a pre-defined project or task.

It is compulsory to have all your full-time labour contracts in writing as required by Labour Law and Labour Contract Law in China. While it may sound surprising, there are penalties associated with a failure to sign a written employment agreement with your employee. The date on which he or she starts working for your business is the date that is considered the beginning of your working relationship. The law allows you one month from that date to secure a written contract with your employee and if you don't, you will be liable to the employee for double the labour remuneration—for up to one year! And what happens if, after one year, you still don't have a written contract? In these cases, the law deems the contract open-ended and has no expiry date.

New to China and need some extra help?

For foreign companies or individuals who are in the process of establishing a company in China but do not yet meet all the formal registration or formation requirements needed to hire staff, you may contact a labour services provider such as China International Intellectech (CIIC) (<http://www.ciicsh.com/en/>) or Foreign Enterprise Human Resource Service Company (FESCO) (<http://www.fesco.com.cn/495/index.htm>) to hire employees. The HR company can then second or dispatch them to your start-up for this interim period.

Do probationary periods exist in China?

Yes, they do and they're well defined in China's law. The maximum duration of probationary periods permitted is dependent on the duration of the employment contract. Here is the breakdown:

If the employment contract is:

- a. less than 3 months, then there is no probationary period.
- b. 3 months but less than 1 year, the probationary period is 1 month.
- c. 1 year but less than 3 years, the probationary period is 2 months.
- d. 3 years or more or you have an open-ended contract with him or her, then the probationary period is 6 months.

For labour contracts containing only a probationary period, sometimes called "a probationary period contract," the probation term set out therein is deemed to be the term of the labour contract and the probationary period is no longer effective.

WAGES, BENEFITS, and SOCIAL SECURITY

Components of wages or salaries²

It's important to understand, specifically, what is included in wages or salaries. When you're setting up or expanding into China, you, the employer, are responsible to pay your employees one or some of the following:

- wages based on time and/or piece-work
- bonuses
- subsidies
- allowances
- overtime payments
- wages paid under special circumstances

Employers in China may not pay their employees less than the current minimum wage as set by law.³

Standard working hours and overtime

The standard number of working hours in China is eight hours per day, five days per week, for a maximum working period of 44 hours, with at least one rest day.

While it's possible that your employees could work more than the 44-hour maximum, be prepared to compensate them. Specific requirements exist here also and you can use the percentages in the next column to create your budget or alter an existing one. Depending on the number of employees you have and the number of hours or days you require additional work, exceeding the legal maximum can cause a significant strain to your budget, so proceed with caution.

Mandatory employee compensation after the maximum 44-hour work week has been reached:

- Working days: 150% standard wages
- Rest days: 200% standard wages
- Holidays: 300% standard wages (see box below for holiday dates)

Note: The above is valid unless you have obtained position-specific approval for flexible working hours or the employee falls under a specific category for which the local labour bureau does not require prior approval.

Social security payments required by law

In addition to wages and overtime compensation, employers are obligated to provide the following benefits and social security payments to employees:

1. Basic old age insurance
2. Unemployment insurance
3. Medical insurance
4. Maternity insurance
5. Work-related injury insurance

The employer and employee jointly contribute to the first three types of insurance, while the employer alone contributes to the last two. Additionally, a co-contribution must be made to a housing fund, from which employees can withdraw to assist them in purchasing a home.

NATIONAL PUBLIC HOLIDAYS*

- New Year's Day (January 1)**
- Spring Festival (lunar new year, typically January or February - 3 days)**
- Women's Day (March 8 - half day for women)**
- Qingming Festival (April 5)**
- May Day (May 1)**
- Dragon Boat Festival (5th day of 5th lunar month)**
- Mid-Autumn Festival (15th day of the 8th lunar month)**
- National Day (October 1 – 3)**

*as of 2016



NON-COMPETE AND CONFIDENTIALITY

Not everyone who works in your company will need a non-compete agreement. In fact, it's only senior management, senior technical personnel, and those employees who have access to your business secrets who may be bound by a non-compete agreement for a maximum term of two years. It's in your best interest to protect and safeguard your business against an employee who may enter into or start a business in direct competition to yours.

If you didn't include a non-compete clause in the original employment contract, then conclude your working relationship with a written non-compete agreement. Areas that you need to cover therein include not only the term, scope, territory, and compensation during the non-compete period, but also liquidated damages for its breach. Although it is required that compensation be paid to the employee on a monthly basis during the non-compete period, the law does not state a standard or minimum amount. In practice, however, it is common to pay at least 50% of the employee's wages.⁴

TERMINATION AND LAYOFFS



Termination and notice requirements

We all know that sometimes, relationships don't work out and individuals aren't the right fit. In the workplace, you have to take certain measures in order to keep your business and its strategies aligned and on track. Terminating an employee isn't an enjoyable experience and it's one that can be rife with legal problems if not handled correctly. Like many countries, China has regulations to ensure a fair and reasonable separation for both the employer and the employee.

If you find yourself in a situation where you have no choice but to terminate an employee, you may do so without the requirement for notice but only in the following situations:

- during the probation period, if the employee is determined to be unfit for the position;
- the employee materially breaches the employer's rules and regulations;
- the employee engages in serious dereliction of duty, graft, or corruption causing substantial damages to the employer's interests;
- the employee has established an employment relationship with another employer and that relationship affects the completion of his tasks and he refuses to appropriately remedy the situation after receiving notification from you, the employer;
- the employee used fraud in concluding the labour contract;
- the employee is subject to criminal investigation.

In most situations, however, notice of termination is required and you must give 30 days prior written notice or payment in lieu thereof, if you terminate the labour contract under the following situations:

- the employee is unable to perform his or her original duties or re-assigned duties after returning from medical leave or a non-work-related injury;
- the employee is incompetent and remains incompetent after training or adjustment of position;
- the occurrence of a major change of objective circumstances which were relied upon when signing the labour contract and you and your employee are unable to agree on modified terms of the labour contract.

Just as you can terminate your employee's contract, your employee may also unilaterally terminate the employment contract without having to provide you with notice of termination in situations including:

- the employer fails to provide labour protections and working conditions in accordance with the labour contract;
- the employer fails to pay remuneration in full and on time;
- the employer fails to pay social security payments in accordance with the law;
- the employer's rules and regulations violate laws and regulations, harming the employee's rights and interests;
- the employer uses fraud, coercion, or the employee's unfavorable position to conclude the contract;
- other situations set out in laws and regulations.

TERMINATION AND LAYOFFS



Severance compensation

You've probably suspected that China also has specific laws in regard to severance payments. As an employer, you must pay severance in the amount of one month's salary for each full year of service, with half a month's salary for any portion less than six months. However, if your employee earns more than three times the average monthly wage of the city of employment, then compensation will be capped at three times the average monthly wage.

For clarity, severance compensation is due in the following situations:

- termination by employee under situations which result in his right to terminate the contract immediately;
- termination by employer under situations which require 30 days prior written notice;
- the employee is terminated due to restructuring or difficulties in business operations;
- the labour contract is terminated after being proposed by the employer and there is a mutual agreement on termination;
- a fixed-term labour contract expires (except where employee refuses to renew the contract on terms equal to or better than previously concluded);
- termination of labour contract due to revocation of employer's business license;
- termination of labour contract due to bankruptcy.

Layoffs

From time to time, the business environment can be harsh and can place employers in the unfortunate situation of having to lay off some employees. This is never an easy decision and one that can't be taken lightly. However, when absolutely necessary, the Labour Law provides for it—but only in times of real business and/or financial crisis and only under the following circumstances:

- restructuring due to the Enterprise Bankruptcy Law;
- serious difficulties in production or operations;
- a staff reduction is necessary due to changes in production, technical innovation or adjustment of management operation style;
- other major changes in economic circumstances relied upon at the time of conclusion of the labour contract, rendering them non-performable.



LABOUR ARBITRATION AND DISPUTE RESOLUTION

Resolution of labour disputes in China and statute of limitation for bringing a labour dispute claim

It's always best to seek to avoid any litigation by educating yourself on your rights and responsibilities as an employer. Even so, sometimes issues cannot be resolved within the workplace and it's necessary to engage an outside party to resolve the outstanding issue(s).

There is, however, a statute of limitation for the employee to file a labour dispute claim. According to Labour Law, the employee has up to one year after he or she knew, or should have known, that his or her rights have been infringed. However, it's important to note that if the dispute occurs under an existing labour contract, the limitation period does not start until the labour contract has expired or has been terminated.

Mediation

Voluntary mediation is the preferred method of dispute resolution and mediated settlement agreements for salaries, medical fees for job-related injuries, severance, and penalties may be entered into court for enforcement under the Labour Arbitration Law.

Arbitration

When labour dispute claims require arbitration, they should first be submitted to the local labour arbitration committee located in your (the employer's) jurisdiction.⁵

The labour arbitration committee must then render its award within 45 days after the dispute has been accepted. Arbitration decisions are final for employers in the following instances: salaries, medical fees for job-related injuries, severance and penalties where the disputed amount does not exceed an amount equal to 12 months local minimum wage. Finally, employees and employers (with the exception of those instances set out previously) may, within 15 days of the arbitration award, submit the dispute to the people's court for hearing.



Going through this China employment law primer, you may have found some areas that will require more of your attention than others and it's beneficial to the long-term health and growth of your company to manage them on an ongoing basis. However, with all such legal matters, it's advisable to seek the input of a professional before problems and issues arise. Not only can you save valuable time not having to deal with claims and conflict resolution, but also you can save a considerable amount of money that you can, instead, invest back into your business. 🌸

Gregory Sy is an Of Counsel with Grandall Law Firm, with 21 offices in Mainland China and four offices internationally. He is a corporate/commercial lawyer who specializes in working with foreign companies in their investments into and concerning China and is involved in all aspects of their investment, from corporate structuring, IP protection, due diligence, partner selection/negotiation, site purchase/lease, employment, and dispute resolution.



NOTES:

¹ This article is based on employment law in China that is primarily governed by the following laws: Labour Law of the People's Republic of China (1994) ("Labour Law"); Labour Contract Law of the People's Republic of China (2007) ("Labour Contract Law"); Labour Arbitration and Dispute Resolution Law of the People's Republic of China (2007) ("Labour Arbitration Law") (effective May 1, 2008); Trade Union Law of the People's Republic of China (1994); and, also supplemented by a number of national and local laws, regulations, measures and circulars. This article has referred to these laws throughout.

² According to the Provisional Regulations for the Payment of Wages (1994).

³ According to the Minimum Wages Provisions and based on the minimum wage standards promulgated locally.

⁴ Under the Labour Contract Law.

⁵ Under the Labour Arbitration Law and Labour Law.



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KEY CONFERENCE > Canada-China Economic Forum

The 7th annual forum, to be held in early May 2017, will again bring together prominent government officials, industry, and academic leaders to focus on the Chinese economy, investment trends and public policy issues.

RESEARCH PROJECT > China-Canada Investment Tracker

An online interactive visualization that provides the most comprehensive and up-to-date coverage on investment flows from China to Canada. Our dataset captures over 500 acquisitions, equity investments, and joint ventures in Canada by Chinese-controlled entities.

Please visit our website for more details.

Investment in 5G Technology:

Bridging Technology Partnerships between Canada and China

by Scott Bradley

Over the past few years, there has been a growing awareness of the importance and impact 5G (fifth-generation) technologies will have in transforming the world around us. As we learn more about emerging innovations, from automated vehicles to wearable devices reliant on the Internet of Things (IoT) technologies, the backbone for this new world will be 5G communications technologies.

With a strong foundation of skilled Information and Communication Technology (ICT) researchers, telecommunications engineers, and a number of major Canadian universities engaged in research, Canada is playing an increasingly important global leadership role in the development of this technology—leadership that will be important in years to come as 5G technology drives both industry and social economic development.

Since 2009, China's largest ICT company, Huawei, has been making significant investments in 5G Research and Development (R&D) by establishing the Huawei Canada Research Centre in Ottawa and its newly-opened labs in Markham and Waterloo. While Canada has long attracted investment from major North American and European technology companies, Huawei's investment in Canada represents an important access point for the Canadian ICT ecosystem into China, Asia, and a number of other key emerging markets.

Why is 5G Important?

5G networks, and supporting advanced communications technology, will transmit, process, and apply information and data with tremendous speed and efficiency. Current estimates suggest that 5G networks will increase capacity by 100 times the current wireless networks and that speed of transmission has the potential to be faster by a factor of 1000. This massive increase in the capacity, speed, and processing of information will allow engineers to develop applications, such as automated vehicles, that can only function with rapid and constant data analysis and computing.

The ability to transmit data quickly and more efficiently, store and process this data using cloud computing technologies, and use this information in practical applications for consumers and industry all reflect the areas of focus for Huawei's research in Canada. This wide spectrum of research—from a better understanding of how information can be transmitted along a radio wave to developing photonic chips that can route data at light speed—is helping to build a Canadian ecosystem of researchers and engineers on the forefront of this revolutionary technology.

More importantly, 5G research and the eventual deployment of 5G networks will become the critical enabler for these concepts which have long been envisioned but not possible. In addition to automated vehicles, 5G will allow for other innovations, such as automated transportation networks, real-time medical monitoring, fully integrated and connected manufacturing, and connected homes and businesses.

To remain competitive, the governments and industries which are able to best harness and leverage these technology changes are those currently making investments to build an understanding and capacity of 5G technology. Huawei's investment in Canadian R&D and in Canadian-based 5G research serves as a bridge between the Canadian and the rapidly growing Chinese technology industry. This investment helps to ensure Canada remains competitive with other countries and regions that are making significant investments in 5G.



Canada's ability to attract investment not only from the largest telecommunications companies in China and Asia, but also from large US and European telecommunications vendors, positions Canada uniquely in North America. Canada's technology footprint now spans the globe and these global linkages and investments help open doors and create networks and partnerships in these quickly growing markets.

Much of the global growth in ICT and telecommunications over the next decade will come from Chinese and other Asian markets as these emerging economies invest heavily in communications as an important element of their local infrastructure. As the world's largest telecommunications manufacturer and a leading supplier and advisor in the deployment of advanced communications technologies, Huawei is benefitting from the massive investments that governments and operators are making in these emerging economies.

Huawei's recent announcement in March, 2016, to partner with the Province of Ontario to further expand 5G research operations by investing \$500 million over the next five years reflects this confidence in Canada's technology industry. The investment, which includes partnerships with a number of major Canadian universities including the University of Toronto,

HUAWEI'S RECENT ANNOUNCEMENT IN MARCH, 2016, TO PARTNER WITH THE PROVINCE OF ONTARIO TO FURTHER EXPAND 5G RESEARCH OPERATIONS BY INVESTING

**\$500
MILLION**

OVER THE NEXT FIVE YEARS REFLECTS THIS CONFIDENCE IN CANADA'S TECHNOLOGY INDUSTRY.

École Polytechnique, University of Waterloo, and the University of British Columbia among others, helps nurture a 5G ecosystem in Canada that is developing young leaders in 5G technology across the country. This expanded base of talented Canadian engineers will be in the position not only to support Canada's ICT industry, but also to lead industry and governments in understanding and harnessing 5G technology.

Canada has a legacy of ICT leadership, a strong talented workforce, a network of leading universities and research programs, a competitive industry, and federal and provincial research programs and funding vehicles that have ensured Canada remains a critical country for global ICT development. This gives Canada a significant strategic advantage as it faces tremendous competition from markets around the world striving to position their ICT sectors as global leaders.

Huawei believes the true value of investment in 5G and advanced communications research in Ontario and Canada lies in supporting and nurturing the development of Canada's already thriving ICT ecosystem. As it develops, the IoT-based economy, enabled by 5G technology, will fuel the growth of Canada's economy in the years ahead and support cross-collaboration between key industry sectors and

the ICT industry. This will ensure Canadian companies and industries are able to compete with the new innovations being developed in other global markets.

Canada is amongst the global leaders in telecommunications research with a breadth of understanding of technology trends and development that spans the globe. Huawei's investment in Canada serves as a positive sign to technology investors that China is seeking a place to invest and broaden its research. This is exciting news to spur future investment, to support the continued growth of Canada's 5G and ICT ecosystems, and to ensure Canada's economy remains competitive with the advent of technology transformation. 🍁



Scott Bradley is Vice-President of Corporate and Government Affairs at Huawei Canada. Since joining Huawei Canada in 2011, Scott has helped lead Huawei's emergence as a key contributor to Canada's ICT and telecommunications industries. Scott manages all external-facing corporate functions for the organization, including brand development, public affairs, marketing communications and government relations.

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Year in Review

by Sarah Kutulakos

There has been a shift towards a Canada-China Golden Era with the election of Justin Trudeau as Prime Minister in the fall of 2015. With China hosting G20 2016 and this being Prime Minister Trudeau's first official visit to China since taking office, we should see greater clarity on the Liberal government's approach to bilateral relations with China. Canada is primed to take advantage of the golden opportunities that lie ahead. So is China. And so is CCBC.

With the new 13th five-year plan in effect, the Chinese government is dedicated to rebalancing the economy and shifting from investment- and export-led growth to consumption-led growth. Leveraging this shift, CCBC has increased its focus on sectors that would benefit from an increase in consumption. Our Beijing Chapter and CCBC Chamber of Commerce – Beijing hosted a bold and ambitious transformation to our annual Canada Day event: A Taste of Canada – a Dinner Soiree and After-Party. This event raised the bar in three distinct areas. First, the dinner featured Canadian wine, food,

and ingredients sourced from coast to coast and were uniquely prepared by one of Beijing's top chefs. Second, the evening showcased amazing Canadian talent. Third, the spectacular Phoenix Centre provided an excellent backdrop for extensive Canadian tourism promotion. *(Please see our Canada Day photo feature on page 49.)*

Among many highlights over the past year, CCBC formally launched our Chamber of Commerce – Beijing in March. Led by CCBC Managing Director for China, Travis Joern, the Chamber opens up opportunities for us to expand and develop our relationships with other Canadians in China.



The Honourable Chrystia Freeland speaks with members at a CCBC event

CCBC continues to work with all levels of government in Canada to assist them in furthering their China activities. We hosted events for the Bank of Canada Governor Stephen Poloz in Shanghai and Trade Minister Chrystia Freeland for her first China-related speech in Toronto in March, 2016. Then, in the spring, we helped Toronto Mayor John Tory with his first mission to China and we were pleased to be involved with Nova Scotia's official China strategy launch. In addition, CCBC is working with six provinces on their annual fall Minerals Forum in Beijing.

We also work closely with Chinese organizations. A growing relationship with the China Entrepreneur Club led to our hosting a delegation and Canadian closed-door session at their annual China Green Companies Conference in April. We signed MOUs with CCPIT Guangdong and the Shanghai Financial Association. We stepped up activities with two other major Chinese entrepreneur organizations, Zhisland, which has 6000 members with minimum \$20M in revenues, and Global CEO Union, which has 15,000 members from smaller private companies. These demonstrate our continued effort to attract more potential China investors to Canada, which also included a six-city investment roadshow to secondary cities in China.

CCBC continues to demonstrate its relevance and value to the Canada-China community and, most importantly, to our members. With close to 300 members across Canada and China, covering business, education, culture, and government, our corporate membership spans nearly every sector

and the majority are SMEs. While we are fortunate to have many large companies as members and that support our major events, much of our team's time is spent assisting our smaller members. In fact, our Benefactor category of membership (to which we continue to recruit) is designed specifically to fund increased support to SMEs. We help them understand the China market. We help them enter China at reduced cost, risk, and time through one of our four Business Incubation Centres (Beijing, Shanghai, Calgary, and Montreal). And we help them solve problems. For example, one member with a subsidiary in Shanghai uses us to support, on average, one significant problem per year. These have included:

- advising how local court rulings work and how certain cases are handled. Our member won.
- providing practical advice on how to respond to security threats and shedding light on how local authorities function in China;
- assisting with a customs issue involving the mislabeling of imports into China;
- introducing the company to a Chinese firm which visited with a delegation to Canada. The Chinese firm is now a client.

We say, "Membership means business," and we mean it. We help our members every day, in so many ways.

Another example is ProSlide, a company that graduated from our Shanghai Business Incubation Centre and was highlighted in EDC's *ExportWise* magazine. ProSlide's waterslide sales in China and Asia had grown to the point where it needed a regional homebase for its team via a Wholly Foreign-Owned Enterprise (WFOE) subsidiary in Shanghai. ProSlide placed their first China employee in our Shanghai incubation centre for six months, and we accommodated an extension and a second employee when a planned launch was delayed by a month. This flexibility allowed the company to focus on its customers and its launch. Proslide's COO, Dave Rozon, commented in *ExportWise* that, "Without this support, setting up an office in Shanghai would have been ten times as challenging. [CCBC] helped by shedding light on processes, presenting options for setting up the company structure, and finding partners on the financial and the HR side."

Looking ahead, we will run our biannual awards process to recognize bilateral success stories. Our biannual survey report that will launch in late fall, 2016, will highlight challenges our members face in their bilateral business. We will help our members understand China's economy and the new five-year plan. We will continue to support inbound investment from China through our investment roadshows in China and our incubation centres in Montreal and Calgary. We will support government delegations to and from China with services in the planning, execution, and follow-up phases, ensuring that the delegations are well prepared and achieve their goals. As a bilateral, knowledgeable, and connected business council, CCBC is best placed to support the many opportunities our members face, in all these ways, as we move into the Golden Era.



Bank of Canada Governor, Stephen Poloz, in Shanghai addressing members at a CCBC event.

Ultimately, the role we play for members is to simplify China, an always-complex market. We help to lessen the administrative burden, which lets executives focus more on their customers and their products. Examples can be found on the new Services tab at www.ccbc.com.

Advocacy is another important activity at the Council. In 2015, we participated in a submission to the China Banking Regulatory Commission, which reflected the views of international institutions on new banking technology regulations. A similar submission was made to China's insurance industry regulators. We work to ensure that our advocacy efforts help create a freer and fairer playing field for Canadian businesses in China. Members are encouraged to seek us out when they encounter regulatory challenges, which can be influenced by such advocacy.

Of course, one of the best ways to creating a freer and fairer playing field is through an economic arrangement such as a Free Trade Agreement (FTA). CCBC's major advocacy initiative in 2015 was to co-commission a paper that analyzed the China-Australia Free Trade Agreement's impact on key Canadian sectors. It also estimated the economic benefit of a Canada-China Free Trade Agreement. This paper, which formally launched in January 2016, was the kickoff of an extensive process that CCBC will lead to gather feedback from members in many sectors about what they want from a potential FTA.

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Sarah Kutulakos is Executive Director of the Canada China Business Council.

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CCBC Benefactor is a new membership category comprised of companies that support CCBC staffing and services geared toward small and medium-sized enterprises in Canada and China. The CCBC gratefully acknowledges our Benefactor members for their ongoing support.

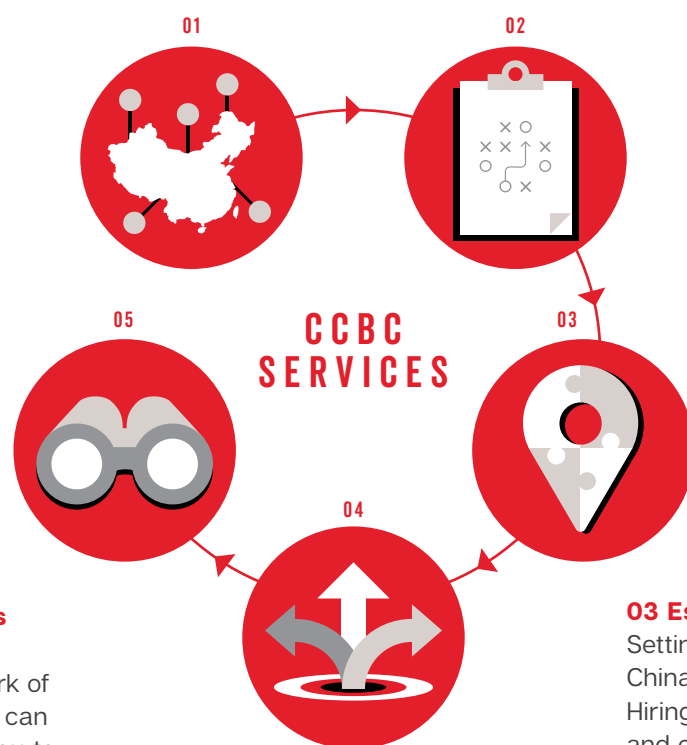


MASTERING CHINA

CCBC's services help you reduce your risk, shorten your cycle time, and make better decisions. Our on-the-ground presence in China helps Canadian companies evaluate the market, enter more quickly, and connect to the resources that help them succeed. Once you're established, CCBC helps you solve problems and deepen your presence, and stay up-to-date on this fast-changing market.

01 Evaluating China

Before starting an expensive launch in China, determine if China really is the right place for your business. Understanding the industry or sector landscape, knowing how to select and work with Chinese suppliers, uncovering the competition, and having an effective online approach can reduce your risks of entry into China.



05 Seeking Investors

Not only does CCBC have a member network of investors, but also we can assist in connecting you to China missions targeting investment. In addition, CCBC experts can work with you to create a pitch that will resonate with your potential investors.

04 Expanding and Deepening

Even well-established companies run into issues in China. Business can be slowed by applications and approvals, contract conflicts, government regulations, and more. The experts at CCBC can help navigate these difficulties. As well, our Business Incubation Centres can help you expand in new cities.

02 Building a Strategy

China requires a strategy specific to its unique business landscape. CCBC has the knowledge and connections to assist businesses with a smart and realistic approach to doing business in China.

03 Establishing a Presence

Setting up your business in China has its own challenges. Hiring practices, labour laws, and office registration can be daunting, but with CCBC's knowledge and experience, we can help you manage the hurdles and establish your business quickly and easily. We offer members Business Incubation Centres where your first employees can start until your own offices are set up.

Please contact CCBC@ccbc.com to request more information.



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1 SEPTEMBRE 2016 – SHANGHAI



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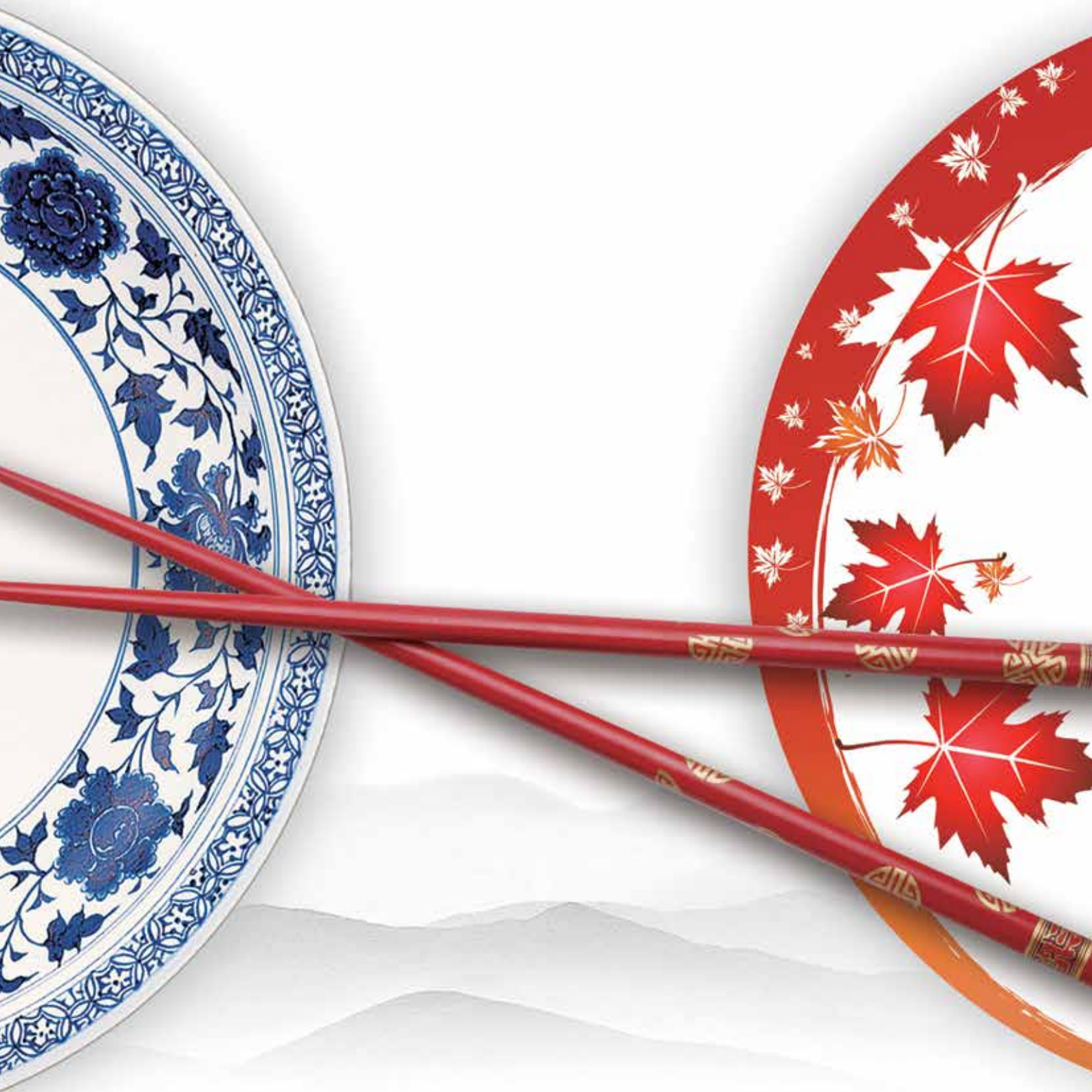


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