

CHINA INSIGHT

Fostering Business and Cultural Harmony between China and the U.S.

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FEBRUARY 2008

Chinese New Year is a time to connect with family and friends

Chinese New Year, or Lunar New Year, falls on the first day of the first lunar month, often one month later than the Gregorian calendar. It is part of the Spring Festival. The Spring Festival actually begins in the twelfth lunar month and lasts until the middle of the first lunar month with the Lantern Festival. The Chinese New Year falls on Feb. 7, 2008 of the Gregorian calendar. In the lunar calendar it is the year 4706.

Chinese Zodiac

The Chinese Zodiac follows a twelve year lunar cycle. Each of the twelve years is represented by an animal. The twelve animals of the Chinese Zodiac are: Rat, Ox, Tiger, Rabbit, Dragon, Snake, Horse, Sheep, Monkey, Rooster, Dog and Pig. This year is the year of the Rat.



One legend of the Chinese Zodiac says that before Lord Buddha left the earth he summoned all the animals to come to him. Only twelve animals arrived to bid him farewell and he named the years of the Chinese Zodiac after them. Another version indicates that, in response to an argument among the animals, the gods held a race. The first animals that finished the race would represent the Zodiac. The Rat was the first finisher and thus became the representative of the first year in the 12-year cycle. The last to finish in time was the Pig.

Chinese New Year Celebration

At the beginning of the Spring Festival, people begin preparations for the coming New Year celebration; they buy presents, decorations, food and other necessities. Many still follow the tradition of thoroughly cleaning their houses to eliminate any traces of bad luck and to start the New Year fresh. After cleaning, homes may be decorated with paper cuts, couplets, lanterns, pictures of the gods, plants and flowers. Red is commonly used in decorating because the color is believed to ward off evil spirits.

The Spring Festival is a time for families to come together. Families have dinner on New Year's Eve and the spirits of ancestors are included in the celebration. The feast *weilu*, "surrounding of the stove" is a sym-



Children at a Chinese New Year parade

bol of family unity of past and present generations. Fireworks are lit at midnight in joyous celebration of the New Year. It was thought that the sound of the fireworks would drive away evil spirits. In many cities in China it has been forbidden to light fire-

works due to the noise and pollution. As a substitute, some use decorations made from fireworks, others listen to sounds that simulate fireworks.

On New Year's Day it is customary to wear red, but not white or black, as they are the colors of mourning. Children receive red envelopes containing money from their parents. It is believed that abstaining from eating meat on the first day of the year will ensure a long happy life. The remainder of the Spring Festival is a time to pray to the gods and ancestors as well as visit with family and friends. ■

China's top 10 economic news in 2007

Jointly sponsored by the Economic Reference Paper and Wanmei (China) Daily Necessities Co. Ltd, and supplemented by 16 media and several renowned economists from home, the list of Top 10 Economic News of 2007 has been released in Beijing.

1. On Mar. 16, The Procurement Code of the People's Republic of China was approved during the fifth session of the Tenth National People's Congress (NPC).

2. On Jun. 29, the Standing Committee of the NPC passed the Labor Contract Law (LCL); on Aug. 30, the Employment Promotion Law (EPL) was approved.

3. The State resolved issues related to people's sustenance. On July 10, the State Council issued the Guidelines for Launching a Pilot Project for Basic Medical and Health Care Insurance Covering Urban Inhabitants. On July 11, a government-issued notice said that the poverty-stricken rural population would be included in the scope of the Social Security System; and those with the lowest rural living standards would be guaranteed full benefits. On Aug. 13, Suggestions on the Settlement of Housing Problems for Low-income Urban Families were carried out by the State Council.

4. On Sept. 29, China Investment Co. Ltd. Was launched.

5. From Oct. 15 through to 21, The Seventeenth National Congress of the CPC convened and set objectives for building an all-round well-off society and quadrupling the per capita GDP (from 2000) by 2020.

6. The comprehensive index of the Shanghai Stock Exchange continued surging; and on Oct. 16, climbed up to 6124 points. A sudden decline has since occurred, sending shock waves throughout the stock market.

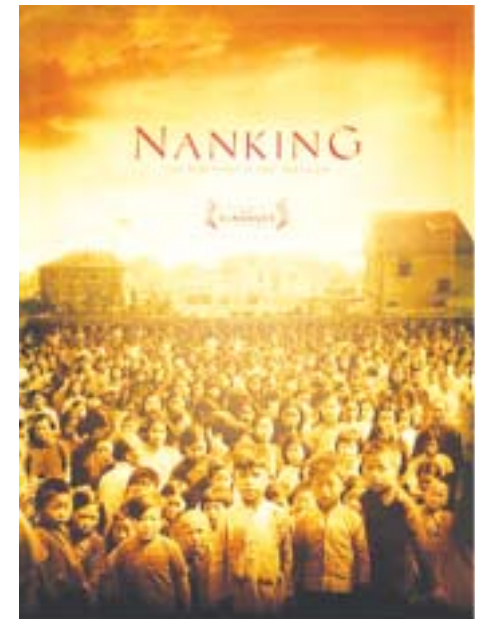
7. On Oct. 24, China successfully launched Chang'e 1: the first-ever lunar probe launched by China.

8. On Nov. 23, the State Council issued a notice declaring that energy conservation and emissions reduction will be the yardstick of performance for government officials at all levels; and the systems of Assuming Responsibility and One-vote Veto were adopted.

9. The Central Economic Work Conference, held in early December, placed the "two prevents" high on the agenda of the country's macro-control policy; and planned to execute a tight monetary policy. [The "two prevents" are: to prevent economic growth developing from rapid to overheating, and to prevent price rises evolving from structural to evident inflation.]

10. On Dec. 16, the State Council published the revision on the Measures for Having Holidays during National Holidays, Festivals and Commemoration Days. Traditional Chinese festivals including the Qing Ming Festival, Dragon-boat Festival and Moon Festival were, for the first time, added to the list of holidays.

By People's Daily Online <http://english.peopledaily.com.cn> ■



Nanking at Lagoon Cinema

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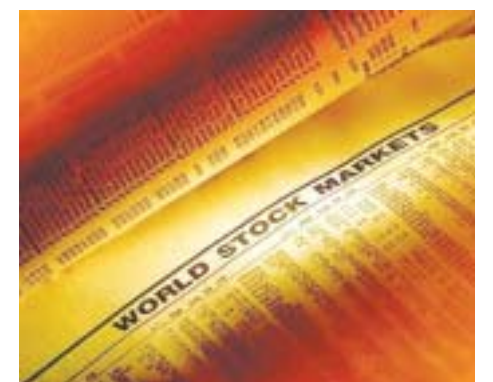
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Immersion Education: Pathways to Bilingualism & Beyond

Language immersion education has emerged as a uniquely constituted, highly effective program model for launching students on the road to bilingualism, multilingualism and intercultural competence. School-based immersion programs follow a variety of paths, including one-way foreign language immersion, two-way bilingual immersion, and indigenous immersion for language and culture revitalization. While each pathway targets distinct socio-cultural contexts and educational needs, all are grounded in a set of core characteristics with a strong focus on subject matter learning as well as language development.

Under the leadership of two national centers in the United States, CARLA (Center for Advanced Research on Language Acquisition, University of Minnesota) and CAL (Center for Applied Linguistics, Washington, D.C.), this third international conference on immersion education brings these pathways together to engage in meaningful

dialogue and professional exchange across languages, levels, learner audiences, program models and sociopolitical contexts.

CARLA and CAL are currently seeking proposals for papers, discussion sessions, and symposia on aspects of language immersion education related to four overarching conference themes:

Immersion Pedagogy
Culture and Identity
Policy and Advocacy
Program Design and Evaluation

In addition to basic, applied and evaluation research, conference organizers welcome a range of practitioner perspectives including immersion teachers, administrators, curriculum coordinators, parents and specialists who work in immersion programs. Papers, presentations, discussion sessions, and symposia may report on data-based research, theoretical and conceptual analyses,

or best practices in language immersion classrooms.

The deadline for submission of proposals is February 15, 2008.

Immersion Education: Pathways to Bilingualism & Beyond will be held on October 16-18, 2008 at the Crowne Plaza Riverfront in St. Paul, Minnesota.

Featured speakers include: include Fred Genesee, McGill University; Philip Hoare, Hong Kong Institute of Education; Kauano Kaman? and Bill "Pila" Wilson, University of Hawai'i;

Roy Lyster, McGill University; Myriam Met, National Foreign Language Center, University of Maryland.

More information and online submission instructions can be found at: www.carla.umn.edu/conferences/immersion2008/call.html

Individuals can also e-mail immconf@umn.edu with questions for the planning committee. ■

Asian business owners: apply by February 28, 2008 for a chance to win \$5,000!

USPAACC and Wells Fargo proudly present the USPAACC/Wells Fargo Asian Business Leadership Award: Honoring the Nation's Leading Asian Business Owners

About the Award

The US Pan Asian American Chamber of Commerce (USPAACC) and Wells Fargo share the mutual goal of supporting Asian business owners.

USPAACC is a national nonprofit organization representing Asian businesses through advocacy, education, information and networking, and is dedicated to improving the economic growth of Asian entrepreneurs. As America's #1 small business lender*, Wells Fargo strives to serve the needs of the rapidly growing Asian business community. Its Asian Business Services program provides outreach and education, and connects business owners with products and services to meet their financial needs. Wells Fargo measures its success against a publically stated goal of lending US\$3 billion to Asian business owners by 2012.**

The USPAACC/Wells Fargo Asian Business Leadership Award celebrates the vision, success, and community contributions of Asian entrepreneurs in the U.S. Three winners will each receive a cash grant of US\$5,000 and national recognition at the 2008 CelebrAsian Conference.

Qualifications

- * Be at least 18 years of age
- * Own at least 51% of the business
- * Be the active principal of the business
- * Be a legal resident of the U.S. or its territories

* Be in compliance with all applicable laws/regulations

Evaluation Criteria

Applicants should fill out the application form found at www.wellsfargo.com/biz/Asian, and answer in English all of the following questions about his- or herself and their company. Responses should be limited to three (3) pages and sent along with the application form:

- 1) Describe your company and its products/services. What sets your company, products, or services apart from others?
- 2) What is your basic philosophy in conducting your business? What makes your company successful? Include your mission statement, if available.
- 3) Why did you start your company? What do you consider your greatest accomplishments as a business owner? What obstacles did you have to overcome?
- 4) What benefits does your company provide to your: a) customers, b) industry, c) community, d) employees, and e) family? Include any specific examples.
- 5) Do you think you are considered a role model by your peers, employees, or community? Why do you think they look up to you?
- 6) Why do you think you should receive the Asian Business Leadership Award? How will you utilize the funds?
- 7) Please provide two (2) letters of recommendation that verify your business operations. Letters should demonstrate appreciation and support for the applicant and the applicant's company and should be from any of the following: customers, employees, and/or community organizations.

Each letter or recommendation must include a signature and contact information for the author.

* Based on 2006 CRA Data.

**The Asian Business Services does not influence lending decisions in any way; all applications are subject to credit approval. ■

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Fat Choy



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and
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About CHINA Insight

CHINA Insight is a monthly English-language newspaper fostering business and cultural harmony between China and the U.S.

CHINA Insight is a member of the Minnesota Chapter of the Asian American Journalists Association.

Submissions & Correspondence

CHINA Insight welcomes guest articles. Correspondence should be addressed to:

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Nanking at Lagoon Cinema Feb 1-7

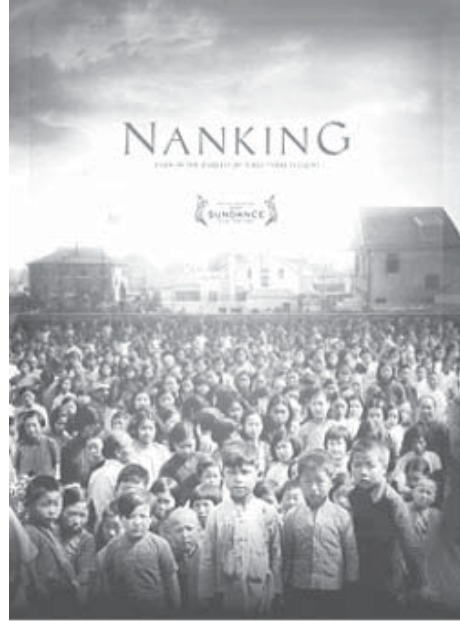
Synopsis

A powerful, emotional and relevant reminder of the heartbreaking toll war takes on the innocent, *Nanking* tells the story of the Japanese invasion of Nanking, China, in the early days of World War II. As part of a campaign to conquer all of China, the Japanese subjected Nanking – which was then China's capital – to months of aerial bombardment, and when the city fell, the Japanese army unleashed murder and rape on a horrifying scale. In the midst of the rampage, a small group of Westerners banded together to establish a Safety Zone where over 200,000 Chinese found refuge. Unarmed, these missionaries, university professors, doctors and businessmen – including a Nazi named John Rabe – bore witness to the events, while risking their own lives to protect civilians from slaughter.

The story is told through deeply moving interviews with Chinese survivors, chilling archival footage and photos of the events, and testimonies of former Japanese soldiers. At the heart of *Nanking* is a filmed stage reading of the Westerners' letters and diaries, featuring Woody Harrelson, Mariel Hemingway and Jurgen Prochnow. Through its interweaving of archival images, testimonies of survivors, and readings of first hand accounts, the film puts the viewer on the streets of Nanking and brings the forgotten past to startling life.

Nanking is a testament to the courage and conviction of individuals who were de-

termined to act in the face of evil and a powerful tribute to the resilience of the Chinese people – a gripping account of light in the darkest of times.



ONE WEEK ONLY

Starts February 1 at the Lagoon Cinema
For show times and more information, visit www.landmarktheatres.com or call Lagoon Cinema at 612-825-6006. ■

Editor's note: CHINA *Insight* staff writer, Albert Leung's review of *Nanking*, "Walker Art Center brings *Nanking* to Minnesota" can be found in the January 2008 issue and at www.chinainsight.info.

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Prizewinning Chinese film on 'Three Gorges' drama



The film, *Still Life* (Sanxia Haoren), a prizewinning Chinese film about the Three Gorges will play at the Oak St. Theater, (309 Oak St. SE in Minneapolis) on Saturday, Feb. 9 at 7:15 p.m. and 9:15 p.m.

The setting of *Still Life* is Fengjie, a town on the Yangtze River, progressively undergoing demolition and soon to be submerged by the massive Three Gorges Dam. The story concerns two overlapping quests. Newly arrived in Fengjie, Sanming (Han Sanming, reprising a character seen in two earlier Jia films, *Platform* and *The World*) is a coal miner from Shanxi, looking for the wife who left him years ago and the teenage daughter he has never met. Shen Hong (Jia regular Zhao Tao), also in search of a missing spouse, wants a divorce from the husband she hasn't heard from in two years.

Director Jia Zhang Ke, 38, is often called a neorealist, but naturalism frequently rubs up against artifice in his films, which increasingly reside in a space between documentary and fiction; *Still Life's* nonfiction companion piece, *Dong*, shares many of its locations and even a few of its shots. The high-definition video is crisp, and cinematographer Yu Likwai often uses slow panning shots to absorb the perverse grandeur of the crumbling ruins, lingering in particu-

lar on the figures—in many cases physical laborers—who are navigating this apocalyptic landscape. Stoic but richly humane, this remarkable movie—winner of the Golden Lion at the 2006 Venice International Film Festival—is yet another major progression for a continually surprising filmmaker.

Jia had long been counted among the sizable ranks of China's "underground" filmmakers. Because of his international successes, he is now government-approved as "above ground." He often employs improvisational techniques with non-professional actors to better evoke the feeling of an "everyday" China he seeks to capture.

The movie is in Mandarin with English subtitles. It is shown in cooperation with '3 Gorges' photo show at the Minnesota Center for Photography (165 13th Ave. NE Minneapolis.) which ends Sunday, Feb. 10 (This film appreciably enlarges the scope of the current MCP show). The film may also appear in Minneapolis - St. Paul International Film Festival, April 2008.

Seating is limited. Tickets can be reserved by sending an e-mail to info@mnfilmarts.org with name and the number of seats to be reserved. (The title of the film should be in the subject line.) Tickets may be picked up at the box office. Tickets will also be available at the door ½ hr. before film. (ADM: Gen. US\$8; Seniors & Students US\$6; Members US\$5). For more information contact Minnesota Film Arts at 612-331-7563. ■



Suzanne Cahill will explore Tang dynasty (618-907) women and their Daoist practices and accomplishments, using biographies compiled by the Daoist master and courtier Du Guangting in 910.

The Dark Side of the Dao: The Lives and Challenges of Medieval Chinese Daoist Nuns, Saints, and Hermits

Tuesday, February 5, 4:00 p.m.
125 Nolte Center
University of Minnesota, Minneapolis

A free public event + Refreshments will be served

Cosponsored by: Consortium for the Study of the Asias, China Center, Department of Asian Language and Literatures, Department of History, and the US-China Peoples' Friendship Association - Minnesota

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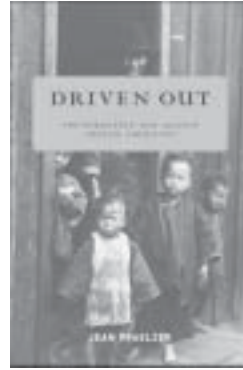
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Books

Driven Out: The Forgotten War against Chinese Americans

By Jean Pfaelzer



Synopsis

The brutal and systematic "ethnic cleansing" of Chinese Americans in California and the Pacific Northwest in the second half of the nineteenth century is a shocking and virtually unexplored chapter of American history.

Driven Out unearths this forgotten episode in our nation's past. Drawing on years of groundbreaking research, Jean Pfaelzer reveals how, beginning in 1848, lawless citizens and duplicitous politicians purged dozens of communities of thousands of Chinese residents—and how the victims bravely fought back.

In town after town, as races and classes were pitted against one another in the raw and anarchistic West, Chinese miners and merchants, lumberjacks and field workers, prostitutes and merchants' wives, were gathered up at gunpoint and marched out of town, sometimes thrown into railroad cars along the very tracks they had built.

Here, in vivid detail, are unforgettable incidents such as the torching of the Chinatown in Antioch, California, after Chinese prostitutes were accused of giving seven young men syphilis, and a series of lynchings in Los Angeles bizarrely provoked by a Chinese wedding. From the port of Seattle to the mining towns in California's Siskiyou Mountains to "Nigger Alley" in Los Angeles, the first Chinese Americans were hanged, purged, and banished. Chinatowns across the West were burned to the ground.

But the Chinese fought back: They filed the first lawsuits for reparations in the

United States, sued for the restoration of their property, prosecuted white vigilantes, demanded the right to own land, and, years before *Brown v. Board of Education*, won access to public education for their children. Chinese Americans organized strikes and vegetable boycotts in order to starve out towns that tried to expel them. They ordered arms from China and, with Winchester rifles and Colt revolvers, defended themselves. In 1893, more than 100,000 Chinese Americans refused the government's order to wear photo identity cards to prove their legal status—the largest mass civil disobedience in United States history to that point.

Driven Out features riveting characters, both heroic and villainous, white and Asian. Charles McGlashen, a newspaper editor, spearheaded a shift in the tactics of persecution, from brutality to legal boycotts of the Chinese, in order to mount a run for governor of California. Fred Bee, a creator of the Pony Express, became the Chinese consul and one of the few attorneys willing to defend the Chinese. Lum May, a dry goods store owner, saw his wife dragged from their home and driven insane. President Grover Cleveland, hoping that China's 400,000 subjects would buy the United States out of its economic crisis, persuaded China to abandon the overseas Chinese in return for a trade treaty. Quen Hing Tong, a merchant, sought an injunction against the city of San Jose in an important precursor to today's suits against racial profiling and police brutality.

In *Driven Out*, Jean Pfaelzer sheds a harsh light on America's past. This is a story of hitherto unknown racial pogroms, purges, roundups, and brutal terror, but also a record of valiant resistance and community. This deeply resonant and eye-opening work documents a significant and disturbing episode in American history.

Books continues on Page 15

Chinese-American poet Li-Young Lee reads from his new collection

A highly anticipated collection, *Behind My Eyes* (W.W. Norton), from Li-Young Lee, one of the most powerful voices at work in America today, combines sensitivity and eloquence with broad appeal.

Li-Young Lee walks in the footsteps of Stanley Kunitz and Billy Collins as one of the United States's most beloved poets. Playful, erotic, at times mysterious, his work describes the immanent value of everyday experience. Straightforward language and simple narratives become gateways to the most powerful formulations of beauty, wisdom, and divine love.

"[Lee's work] has a disarming modesty about it that turns out to be the foot in the door of a whole range of sad, strange, and even monumental experiences."—*New York Times*

from *My Favorite Kingdom*
My favorite door opens two ways:
Receiving and receiving. My heart

Swings between the ways, from thanksgiving

To thanksgiving, a thousand times a day,
While its naked feet graze death's knobby head

A thousand times a day.

Lee will read from *Behind My Eyes* on Friday, Feb. 15 at 7:30 p.m. at Magers and Quinn Booksellers at 3038 Hennepin Avenue South in Minneapolis. For further information call 612-822-4611 or visit www.magersandquinn.com

Li-Young Lee was born of Chinese parents in Indonesia. He has lived in Chicago since 1964. His work has received many honors, including three Pushcart Prizes, the Lannan Literary Award, and the American Book Award. His collection *Book of My Nights* was the winner of the Poetry Society of America's William Carlos Williams Award.

Publisher contact: Samantha Choy schoy@wwnorton.com ■

DEADLY MEDICINE CREATING THE MASTER RACE

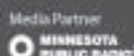
Exhibition: February 27-May 4, 2008
smm.org 651-221-9444

Created by the United States Holocaust Memorial Museum, this thought-provoking exhibition features original artifacts, photographs and survivor testimony from the Nazi era.

Presented at the Science Museum of Minnesota with the University of Minnesota's Center for Holocaust and Genocide Studies.



Premier Partners



MPCC President's column: China visit strengthens liberal arts partnership

In November 2005 a delegation from the Minnesota Private College Council (MPCC) heard an inspiring presentation by the newly selected leader of the first sanctioned liberal arts college in China in 60 years. The United International College (UIC) in Zhuhai was formed from a partnership of Beijing Normal University and Hong Kong Baptist University. Professor Edmund S.T. Kwok expressed the desire to find partners for his fledgling college who both understand the traditions of the liberal arts and could envision its powerful roles in the future. After many visits and discussions with members, MPCC signed an umbrella partnership agreement with UIC in 2006. Professor Kwok has visited Minnesota twice and student and faculty exchanges are being planned.



(L to R) David Laird, MPCC president; Paul Pribbenow, Augsburg College president; Larry Goodwin, College of St. Scholastica president; Edmund Kwok, UIC vice chancellor.

When a delegation from the Minnesota Private College Council (MPCC) visited its new partner institution in Zhuhai, China [November 2007], the delegation members were astounded by an impressive set of campus structures already in use. Many had seen pictures of the bulldozed area for the campus just 15 months earlier and the transformation was startling. But what was more impressive was the advancement of the bold vision and mission of UIC as an institution.

Derived from the historical roots of the traditional liberal arts, UIC's purpose is to educate the pampered and self-possessed Chinese youth for a lifetime of leadership and service in a global context. The vision assumes a rather traditional classroom curriculum complemented by a broad array of group experiences to teach the basic elements of leadership, teamwork, and sensitivity to radically different cultures. In their terms, this emphasis on the "whole person" is intended as a complement to the rather sheltered upbringing of these students and the urgent need to prepare them for the leadership that will be expected of their generation.

Broadening the relationship

The November visit was designed to broaden the emerging relationship between UIC and MPCC and to begin two traditions of the partnership. The first was a purposeful conversation about the future roles of

the liberal arts in our partnership and in the higher education enterprise. The second was the inauguration of a series of presidential lectures about the foundations of the liberal arts and their importance to our common future.

The most distinguishing features of the first day of a two-day conference were the reflections of students and faculty from UIC who had participated in off-campus group explorations in the summer of 2007. The reports from students and faculty were compelling. Students said that they learned many new skills and that some of their experiences were life-changing. Given students' backgrounds, the depth of their reflections was most impressive. Even the parents in attendance seemed surprised and delighted with the reports.

The second day was reserved for presidential lectures. Professor Kwok and former Augsburg College President William Frame set the stage by reminding the audience of the need for continuing dialogue as an integral part of a liberal arts experience. Reflecting both the institutional support for UIC and his personal commitment to the liberal arts, the first lecture by Professor Ng Ching Fai, president of Hong Baptist University, was a public confirmation of the commitments to the future of UIC and the importance of the liberal arts in higher education in China and beyond. This was followed by lectures from MPCC members President Larry Goodwin of the College of St. Scholastica, ("Liberal Education as a Moral Project") and President Paul Pribbenow of Augsburg College, ("A Civic Education: Wisdom and Citizenship"). Both lectures were impressive recitations of their own personal explorations in the liberal arts and the importance of both teaching of the liberal arts and reaching out into the broader community as an essential element of its practice.

Looking to the future

The final section of the two-day conference was an opportunity to share publicly the purposes and hopes of the partnership between UIC and MPCC. The leadership of both organizations encouraged all participants — including students, to assist in the further development of the partnership and to adapt to changing circumstances and opportunities. In addition, Professor Kwok spoke of the growing interest in using the partnership as the touchstone for a project to explore and expand Minnesota's broader relationships in China.

The next chapters in this partnership may indeed be the most exciting as more faculty and students take advantage of the opportunities to work within its flexible framework. MPCC will continue to facilitate this partnership and support the many other academic initiatives of MPCC members in China.

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Minnesota JingLun Chinese School offers new classes

By Qin Tang

It has been almost five months since the new Chinese school JingLun Chinese School (MJCS), JingLun Chinese School (MJCS), opened the door and welcomed the first five classes of students in September 2007. Kids as young as four years old to high school seniors gather at Woodbury High School on Saturdays to learn Chinese, math and drawing.

When the spring semester begins in February 2008, MJCS plans to add two new classes.

One new class is a Mandarin Chinese Class for non-Chinese Speaking adults. The class aims at training beginners to communicate effectively in Chinese. It will be held on Saturdays Feb. 2, 2008 to June 7, 2008 from 11:45 a.m. - 12:35 p.m. Tuition is US\$150.

The other new class is the Intensive ZiJing Class for 4-7 year olds with Chinese speaking family background. The goal is to help students learn 1500-2000 most commonly used Chinese characters in seven months so they can read independently. The class size is limited to 10-12 kids. There are higher requirements and expectations for this intensive class. Students have to be ready mentally and academically and parents have to be committed in their efforts in helping their kids practice every day and week. The class will be held on Saturdays beginning Feb. 2, 2008 from 11:45 a.m. - 1:35

p.m. Tuition is US\$380.

MJCS, a non profit educational institution, was founded in 2007 in Woodbury. It was initiated by a group of Chinese parents who are very motivated and interested in promoting Chinese language and culture, and providing high quality Chinese instruction for both Chinese speakers and non-Chinese speakers in their own neighborhood.

As the Chinese speaking population in Woodbury increases and interest in learning Chinese among the general public increases, so does the demand for high quality Chinese instruction. Minnesota JingLun Chinese School came into being to meet these needs.

Chinese is one of the most difficult languages to learn. Even kids who grow up in the Chinese speaking families in the United States have difficulties mastering the language. In order to provide the most effective way to teach and learn Chinese characters so that students will be able to read independently as soon as possible, MJCS selected ZhongHuaZiJing (Chinese Character Canon) as the teaching/learning materials for Chinese speaking students.


According to the publisher's Web site (<http://www.miktamchinese.com>), students

School continues on Page 6

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School from Page 5

can "Learn All Chinese Characters with One Poem!"

ZhongHuaZiJing is indeed a unique text book. The whole text is a poem composed of 4,000 characters which covers 99 percent of modern Chinese and covers 50 fields of knowledge, like a mini-encyclopedia. The book does not have any characters repeated and rhythms through out the whole book. Student can recognize the characters in the rhymed text more easily like singing songs.

After learning this book in a relatively short period of time, from 6 months to 3 years depending on the time and intensity, students will be able to recognize the most commonly used Chinese characters and be able to read independently while enjoy the rich cultural background and stories behind each sentence.

Currently four classes are offered for Chinese speaking students using ZhongHuaZiJing curriculum.

A separate class is offered for non-Chinese speaking students aged 4 to 7 who want to learn Chinese in a fun and useful way. The focus is on listening and speaking Mandarin Chinese. This class uses Better Chi-

nese (www.betterchinese.com) as the curriculum.

After Chinese lessons, students can also take math class. The math classes are based on Singapore Math curriculum (www.Singaporemath.com). Students are placed in different level groups according to their own abilities.

A drawing class comes after the math class. The School will also consider offer other classes such as chess and dancing if there is interest.

Currently MJCS is recruiting teachers who are experienced in teaching Chinese, math and drawing. The School is also looking for volunteers who have knowledge and expertise in managing non-profit organizations. Any support from the local Chinese community and businesses to the School is very much needed and appreciated.

For questions and registration, e-mail: jinglunmn@yahoo.com or go to <http://www.jinglunchinese.org> or call 651-206-6140.

Walk in inquiries are welcome. School Hours are Saturdays 9:45 a.m. – 1:35 p.m. at Woodbury High School, Room 219.

Qin Tang can be contacted at quin_tang@yahoo.com ■

Private colleges lead in enrolling full-time students pursuing baccalaureate degrees

Private nonprofit colleges and universities lead the state in full-time, new-student enrollment in baccalaureate programs. The 17 institutions that are members of the Minnesota Private College Council represent the vast majority of students enrolled in nonprofit colleges in the state.

Private institutions enrolled 38 percent of new, full-time baccalaureate students, according to fall 2006 enrollment data released by the state's Office of Higher Education. That compared to 32 percent at the University of Minnesota and 31 percent at the Minnesota State Colleges and Universities (MnSCU) system. (When part-time students are included, private institutions and the University of Minnesota have an equal share of enrollment — 34 percent as of fall 2007.)

Private nonprofit colleges and universities are also seeing faster growth in four-year degree enrollment than the public systems. Looking at only the members of the Minnesota Private College Council, enrollment grew 10 percent the last five years, according to an analysis of a December state report. That growth rate is almost double what has occurred at the U of M and MnSCU.

"Private colleges and universities are keeping higher education accessible for all Minnesotans," said David B. Laird, Jr., Minnesota Private College Council president. "The quality of education for students is what is most important, but the quantity is a good reminder of the important role we play in our state."

The latest enrollment information about the fall 2007 entering class shows that the 17 Minnesota Private College Council member institutions had:

- enrollment of 58,598 students, with 42,466 undergraduates and 16,132 graduate students;
- full-time equivalent (FTE) enrollment of 50,790;
- new freshmen enrollment of 9,109, which has grown 22 percent since 1997; and
- new transfer enrollment of 2,655, which has grown 4 percent since 1997.

In addition, diversity at Minnesota Private College Council member institutions has increased, with students of color now making up 12 percent of total enrollment. Enrollment of students of color has risen markedly, rising at seven times the rate of enrollment

increases among white students over the last 10 years.

The state benefits from private colleges' ability to attract some of the best and brightest students — most of whom will stay in Minnesota after graduation. Among all new full-time undergraduate students at four-year institutions, in fall 2006 the Minnesota Private College Council member institutions enrolled:

- 34 percent of Minnesota residents who stayed in the state for college,
- 27 percent of students who came from neighboring states,
- 70 percent of students who came from other states, and
- 75 percent of new undergraduates who came from other nations.

About the Minnesota Private College Council

The Minnesota Private College Council represents 17 of the state's most respected four-year, liberal arts colleges and universities as well as more than 58,000 students. These institutions award 30 percent of the baccalaureate degrees in the state.

They are: Augsburg College; Bethany Lutheran College; Bethel University; Carleton College; College of Saint Benedict; College of St. Catherine; College of St. Scholastica; Concordia College, Moorhead; Concordia University, St. Paul; Gustavus Adolphus College; Hamline University; Macalester College; Minneapolis College of Art and Design; Saint John's University; Saint Mary's University of Minnesota; St. Olaf College; and University of St. Thomas.

The organization's mission is to preserve and enhance quality private higher education and to serve the education and economic needs of our region, while strengthening our cultural and economic fabric. Alongside the Council, which has an advocacy role, are the Fund and the Research Foundation. The Fund raises resources to support institutions' operating costs and need-based scholarships for students; the Research Foundation analyzes trends and issues to better inform member institutions and the state.

For more information on the Council and its members, visit www.mnprivatecolleges.org. ■

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LEARNMORE MN

Director Yongwei Zhang discusses the future of University of Minnesota China Center

Editor's preface: *Dr. Yongwei Zhang, Director of the China Center at the University of Minnesota, gave the following speech on Dec. 16, 2007. His speech was a part of the banquet held at JunBo Restaurant in celebration of the 40th anniversary of the Chinese American Association of Minnesota.*

Ladies and gentlemen,
Good evening!

First let me say that it is a tremendous honor for me to be here tonight to celebrate the New Year with each one of you. It has been a real pleasure working with Vincent [Mar] and others at CAAM. I am also delighted to have the opportunity to speak to you about the China Center and its future goals.

Over the years the China Center has received enormous support from the Minnesota Chinese community and every step of its growth in the past has reflected the care and cherish of the people in the community. The China Center is determined to continue to nurture and cultivate this unique relationship and to become a highly valued contributing member of this outstanding community.

As you all know, the importance of China's role in the global community has been steadily growing in the last 30 years and, without a doubt, China is going to have more influence in the next decade with its huge economic and political power. Recently, the Center of Economics Research in Japan has predicted that China's GDP will exceed that of the United States in 2020 and become the largest economic power in the world (12/7/2007, 6park.com). While in the area of foreign trade, China will surpass the United States in 3 three years and become the largest foreign trader country in the world in 2010.

Definitely China is gaining considerable international status as one of the world's leading economic powers. According to the rating recently released by a Swiss-based international Institute for Management Development (IMD), China has greatly improved its global competitiveness. Its position in a world ranking has moved up from 25th in 2005 to 18th in 2006, and to 15th this year. For the first time, China overtook Taiwan in overall competitiveness and economic performance. The economic reform started 29 years ago in China has allowed this most populous country (1.3 billion people 20 percent of the world population) to maintain an average of 10 percent annual rate of growth in the last 20 years. It is estimated that China's economy will continue to grow at this high rate in the next decade. In fact, China's economy has grown faster than any other in modern history.

To an organization such as the China Center at the University of Minnesota, with a long standing mission of strengthening ties between the United States and China, bridging the differences in culture and promoting understanding, friendship, exchange, and cooperation between the American and Chinese peoples, it definitely presents both opportunities and challenges.

I am excited to share with you today my priorities for the direction of the China Center in the next few years. I have identified five major initiatives that I believe will advance the University's mission in China and continue to build bridges of academic, professional, and cultural exchange.

The first of these is to strengthen the China Center's (Mingda) Institute of Leadership Training. Due to the diligent efforts of Mr. Yuedong Zhou and our training staff, the Institute has experienced a remarkable growth in the last few years. The China State Administration of Foreign Experts Affairs (SAFEA) has recognized the Mingda Institute as one of the top international training centers. It has hosted more than 300 Chinese executives and professionals from government, academic and business sectors in 2006-07 and over 2,200 trainees since 2001. The Institute has become an exceptionally successful and respected program. It is an important bridge to China for the University and Minnesota. We have recently hired additional staff and restructured the Mingda Institute so that we can operate more effectively. Our goal is to continue to expand our training programs and increase the number of trainees coming to Minnesota in 2008.

My second initiative will be to take a lead role in recruiting highly qualified undergraduate students from China. Study abroad market has experienced profound changes in the last few years. This is attributable to several reasons. The dramatic increase in the number of graduates at the college level has created a stiff competition in the job market. The number of college graduates has increased from 1.45 million in 2002 to 4.13 million in 2006. Each year in the last few years, there are about one million college graduates on average who become unemployed upon graduation. This has created a great pressure for the Chinese government. At the same time, the number of high school graduates taking the nation-wide entrance exam has doubled since 2002 to over 10 million in 2007. China is believed to have more than 20 million college students currently enrolled at different schools. Although the supply of college graduate has increased dramatically, many companies, especially multinational corporations have a great challenge in finding qualified employees. A recent MGI report shows that "only 10 percent of the Chinese graduates meet the requirements set by these companies."

Under these circumstances, many Chinese students at both the high school and the college level have chosen to study abroad. A recent survey has revealed that 75 percent of the college graduates have expressed a desire to go study abroad, as long as their financial condition allows (12/10/2007, 6park.com). Due to the exceptional reputation of the quality of high[er] education in the United States, study in America has become many people's first choice of consideration. The continued increase in the value of yuan and the higher successful rate in obtaining a student visa (80 percent in 2007) have further stimulated this trend. Some call the year of 2007 the study abroad

year. Over 160,000 students in 2007 left China to study abroad, reflecting a 17 percent increase from the previous year's 134,000.

This situation has also provided an exceptional opportunity for us. As part of its strategic positioning, the University has set a goal of increasing the international undergraduate student population from 2 percent to 5 percent. Dr. Jennifer Dunn, Assistant Director, will direct this effort. The China Center has established partnerships with some top ranked high schools in China. Dr. Dunn will work with the Office of Admissions to identify students at these high schools in China and help them complete their applications to be submitted to the University. She indicated that she was extremely impressed by the strong English skills and the outstanding academic performance of the students at the high schools that she has visited.

After a two-year planning period, the University is poised to move forward with a Confucius Institute on our campus. This will be in partnership with the Office of the Chinese Language Council International (Han Ban) and a partner university in China. This third initiative will promote the study of Chinese language and culture to both University and non-University constituents. Ms. Joan Brzezinski, Assistant Director, has been working closely with the parties involved. Her background and expertise in education and in Chinese language and culture, as well as her familiarity with the K-12 school system will definitely be a contributing factor to the success of this project. We anticipate that our Confucius Institute will have a great impact on our community by providing training programs for teachers of K-12 Chinese language classes and offering Chinese language and culture lessons to the greater Minnesota community. We are all excited about this project and are looking forward to its opening in early 2008.

As you are aware, the University of Minnesota is proud to have numerous extensive and long standing connections with many of China's top universities. I have started a strategic plan to work with these partners and others to explore the possibility of establishing joint-academic programs. We have made extensive contacts with the deans and faculty at various colleges at the U and learn about their plans and goals in building their internationalizing programs. My ambitious goal for the future is to help one or more colleges to open a satellite campus in China where U of M professors will deliver courses and U of M degrees can be conferred.

The fifth initiative is to build upon the existing network and seek to develop more substantial and mutually beneficial relationship with our corporate partners. This task is closely related to the other initiatives that are elaborated above, especially to the expansion of the Institute of Leadership Training. The recent cooperation with Best Buy on supporting their project in the Retail Academy has been a good example. Best Buy officials are very pleased with the support they have received from the China Center and have reiterated their desire to continue to be

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our donor. To sponsor activities that will introduce the visiting Chinese officials, business owners, managers and university administrators to their counterparts in Minnesota is a great service that we offer to the community. Many opportunities in business cooperation, cultural exchanges, education collaboration and friendship can develop through these interactions. Twice in the past, Cargill was able to take advantage of the connections built through the China Center and benefit their projects in China. We are in the process of hiring an additional staff member to serve as a community communication specialist and I hope through his/her in-depth involvement, China Center's role as a catalyst in the community can be further expanded.

Finally, in order to provide the best service to the University and the community as they explore their China opportunities or expand their China connections, the China Center is in the process of working with the Office of International Programs to open a University liaison office in Beijing. The University's presence there will also be welcomed by our alumni, prospective students and educational partners.

Thank you for your continued support. I look forward to working with you to build bridges for the University of Minnesota with China. Have a wonderful evening! ■

Editor's note: Visit www.chinacenter.umn.edu for more information about the University of Minnesota China Center and visit www.caam.org for more information on CAAM.



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2008 Chinese New Year Celebration



Place: North Star Ballroom, St. Paul Student Center, University of Minnesota
(2017 Buford Ave, St Paul, MN 55108)

Time: 3:00 p.m. - 7:00 p.m., Sunday, February 3, 2008

2:30 p.m. Admission
3:00 p.m. Performances: Lion dance, Chinese dances, Chinese music, Talent Shows, Martial arts, Chinese songs, and more!!
5:00 p.m. Lucky money for children, door prize drawings
5:15 p.m. Delicious Food Bazaar

Tickets: Adult: US\$12 (in advance, or US\$15 at door)
Student/Senior: US\$10 (in advance, or US\$12 at door)
Child (5-12 years old): US\$8 (in advance, or US\$10 at door)

* Free admission for children less than 5 years old.
* All tickets include food coupons equivalent to US\$5 in value.

Tickets are available at the Twin Cities Chinese Language School on Saturdays, or from ticket sale volunteers. Advanced tickets can also be reserved by e-mail

hdsu2@umn.edu

For further ticket information, call: 651-733-9827 or 612-625-9820.

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Celebrate the New Year of the Rat with the Chinese Heritage Foundation



傳龍基金

Date: Saturday, February 16

Time: Social Hour: 5 p.m.
Buffet Dinner at 6:30 p.m.

Place: Gramercy Park Party Room
6711 Lake Shore Drive, Richfield 55423

Cost: US\$15 per person
Children under 12: free

Menu: Roasted suckling pig
Assorted delicacies

Program: *Carnac the Wise will align your stars for the New Year (bring your birthday, and the hour and location of your birth)
*Chinese New Year Jeopardy!
*Getting to Know You speed meeting race

All proceeds benefit the Chinese Heritage Foundation

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友 US—China Peoples Friendship Association Minnesota Chapter Chinese New Year, 2008

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Celebrate the Chinese Year of the Rat

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Tickets: (L, G) Students: \$10 (U, G) \$15 (L, G) \$20 (U, G)

Gung Hay Fat Choy
from the staff and contributors of
CHINA Insight



MIA is celebrating Chinese New Year during its Third Thursday Program. The museum-wide celebration will be held Thursday, Feb. 21, from 6 to 9 p.m. The event will include Lion dancers, tasty Asian fare and phenomenal works of art on view in the MIA's galleries. There is no charge to attend the event. For additional information on MIA visit www.artsmia.org.

Chinese New Year celebrations

Editor's Note: At this time of year, many organizations are hosting Lunar New Year celebrations. This is only a partial listing of Lunar New Year events in the Twin Cities. Some events listed may require pre-registration or may have limited space available to the public. Please contact the host organizations for more information about attending the events.

Asian Media Access Lunar New Year Gala

Asian Media Access will host its Third Asian Lunar New Year Celebration on Sunday, Mar. 2, 2008, from 12 noon to 3 p.m. at the Varsity Theater (Dinkytown), 1308 - 4th Street, SE, Minneapolis. This exciting New Year celebration is complete with entertainment, food and a silent auction to help to raise funds for the Asian Media Access Multi Arts Complex. Guests will enjoy a diverse buffet lunch with feature dishes from are Chinese, Hmong, Japanese, Thai, Vietnamese, Indian and other ethnic restaurants, and back by high demand, a showing the best of television commercials from Asia Pacific. For information on attending or to volunteer, for group sales, sponsorships and donations, please contact Chanida at 612-376-7715 or e-mail chanida@amamedia.org.

activities such as a traditional lion dance, Chinese exercise demonstrations, a performance by the Chun Lei Singing Group, and a number of activities for kids, making this a fun event for the whole family. There will also be free Chinese food provided by Hunan Restaurant and homemade Chinese dumplings.



A Chinese Spring festival

The event is co-sponsored by the Minnesota College of Acupuncture and Oriental Medicine and the Student Senate at Northwestern. For more information call 952-888-4777, ext. 169; visit online at www.nwhealth.edu/community or e-mail community@nwhealth.edu.



FACSS 2008 Chinese Spring Festival celebration held on Feb. 8

The Friendship Association of Chinese Students and Scholars 2008 Chinese Spring Festival celebration will be held on Friday, Feb. 8, at the St. Paul Student Center, University of Minnesota.

The celebration begins around 4 p.m. with making dumplings. (Registration is required for this activity—e-mail lixix609@umn.edu). From 7-9 p.m. there will be performances including singing, dancing, traditional Chinese performance, a fashion show and skits.

After 9 p.m. a number of activities will be offered. Guests can choose to bowl (to register, e-mail lifefei.chem@gmail.com), watch a movie, join a poker competition, or sing in a Karaoke contest (e-mail facss@umn.edu to register). There will also be other games, including chess, to enjoy.

For more information about FACSS visit <http://www.tc.umn.edu/~facss>. For questions about the Chinese Spring Festival event, e-mail facss@umn.edu.

Northwestern Chinese New Year Celebration

Northwestern Health Sciences University invites the public to attend a free Chinese New Year event on Feb. 9, 2008, from 12 noon to 3 p.m. on the University campus on the corner of Penn Avenue and 84th Street in Bloomington. A musical performance group from the Chinese American Association of Minnesota Youth Dance Group will give a free performance of Chinese dance at 12:45 p.m. In addition to the performance, the celebration will feature a number of ac-



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Taiwanese Lunar New Year Party

The Taiwanese community of Minnesota will celebrate the Lunar New Year on Feb. 9, 2008, from 5 p.m. to 10 p.m. at the University of Minnesota - St. Paul Campus Student Center, Northstar Ballroom, 2017 Buford Ave, St. Paul. There will be a lion dance, traditional singing and dancing, door prizes, food and entertainment.

The event is sponsored by the Taiwanese Association of America-Minnesota Chapter. Please RSVP online for pre-registration forms at www.taamn.org, and for more information call Mr. Kuang-Sheng Cheng, Chapter President, at 763-514-5197.

University of Minnesota China Center celebrates the Year of the Rat

The University of Minnesota China Center will celebrate the Year of the Rat on Tuesday, Feb. 5 in the Humphrey Center Atrium. Musical performances will feature world renowned pipa artist Gao Hong and Dr. Yongwei Zhang, director of China Center. There will also be a special lion dance performance. A dinner of Chinese cuisine will be catered by the Tea House. For more information, contact the China Center at 612-624-1002. ■

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The business climate for U.S. firms in China

Editor's Preface: In support of our mission to foster business and cultural understanding between China and the U.S., China Insight is featuring *The Business Climate for U.S. Firms in China*, the first section of the publication, *The AmCham-China White Paper: American Business in China*, by the American Chamber of Commerce in China and the American Chamber of Commerce in Shanghai.

The American Chamber of Commerce in China and the American Chamber of Commerce in Shanghai are committed to working with Chinese and U.S. government authorities to help foster vibrant and constructive commercial relations between the United States and China. To that end, the observations, concerns, and recommendations of their collective membership of more than 2,000 companies have been compiled into the ninth White Paper. This is the third and final installment of *The Business Climate for U.S. firms in China*.

To view the full 2007 White Paper visit the American Chamber of Commerce in the People's Republic of China Web site <http://www.amcham-china.org.cn> or the American Chamber of Commerce in Shanghai Web site <http://www.amcham-shanghai.org.cn>.

Small- and medium-sized enterprises

Small- and medium-sized enterprises (SMEs) are critical to China's economy: of China's USD1.4 trillion in foreign trade last year, 70 percent came from SMEs. In addition, more than 40 million SMEs made up 99.6 percent of China's total enterprises, reports Nankai University's China Small and Medium Enterprise Index of Economic Development—a document commissioned by the National Development and Reform Commission (NDRC) and the Ministry of Commerce (MOFCOM). Nearly 60 percent of China's GDP is now fueled by SMEs, according to the index, and while SMEs employ 75 percent of the country's urban-based workers, they also contributed 48 percent of China's taxation revenue while composing 60 percent of the total sales volume.



In the United States, the figures are much the same: SMEs make up 99.9 percent of U.S. businesses, and contribute just over 50 percent of GDP. Further, these SMEs are looking to interact with China in ever-increasing numbers; one AmCham estimate places more than 90 percent of U.S. companies present in China into the SME category. SMEs form an important foundational layer underpinning both domestic and international commerce, and are critical to the smooth operation of MNCs in nearly all industries. In order to build an innovation-based, harmonious society, a healthy SME sector is critical. High-quality SMEs will generate high-paying jobs and new innovations to feed China's goal of creating an advanced manufacturing and service economy.

China's policymakers have realized that the health of the SME sector is critical, and in recent years have begun to take great strides to implement policies designed to support this sector of the economy. The NDRC, the Ministry of Commerce, and the Ministry of Agriculture all boast departments devoted to improving the SME business environment at the policy level. At the implementation level, the China Council for the Promotion of International Trade (CCPIT) has implemented various programs designed to help U.S. SMEs export to China, and the China Association of Small and Medium Enterprises was established in December 2006 under the high-profile leadership of Deputy Prime Minister Zeng Peiyan in order to improve both the quality and financial health of the SME sector.

Although SMEs collectively account for the majority of both businesses and GDP, structural inequities in the business environment disproportionately impact individual SMEs due to resource constraints at the individual SME level. Policies that compensate for these structural inequities and the effective

implementation of those policies are necessary for the creation and maintenance of a healthy and vibrant SME sector in China, and could provide significant benefits to both Chinese and U.S. SMEs. AmCham supports the efforts of the Chinese Government to help Chinese SMEs source financing and other inputs to become better companies, more productive, better employers, and to reach out globally; and the chamber would appreciate the opportunity to collaborate with the Chinese Government at all levels to share the experiences of U.S. SMEs with their counterparts in order to foster a better and more vibrant private sector in China.

Areas of opportunity

While the progress made over the past few years at the policy level is commendable, issues remain in many areas, particularly as regards local implementation of policies generated at the national level. Often these issues disproportionately affect SMEs by simple function of size: SMEs simply do not have the financial, human, or temporal resources to adapt to new government initiatives in the way that larger companies can.

Cost of incorporation and existence

There is some evidence that the relative cost of existence for SMEs may be increasing, and that the number of SMEs may be dwindling as a consequence. Current registered capital and monthly compliance requirements, as well as statutory mandates to purchase local government-selected software and training programs all impact SMEs much more forcibly than they do large companies. For example, many different local regulatory bodies require that all companies purchase specific software, for which the price is fixed regardless of company size or revenues. The cost of purchasing the software and hiring staff to operate the software constitutes a cost beyond the core cost of business, and therefore creates an additional financial burden that SMEs must bear. Moreover, because this government-mandated software is often developed by monopoly providers, whenever there is an upgrade each company must pay the set price for the upgrade or risk noncompliance. To add to the financial burden, there is usually an associated human resource cost: many different local regulatory bodies require that companies send a certain number of staff to attend training sessions on policy, and do not offer alternatives such as taking the classes over the Web, by cor-

respondence, or during nonstandard working hours. The company is not free to choose the training supplier, must usually pay a significant fee, and loses critical staff during the work week-hours of productivity lost, which SMEs can little afford.

Lack of financing structures to support SME growth

China's SMEs continue to face tremendous challenges in financing their businesses due to a financial system that has been traditionally focused on serving large corporate clients and mass market consumer needs; often, the issues are implementational, rather than policy-driven. For example, although the SME Promotional Law was passed in 2002 allowing SMEs to issue bonds subject to the approval of the government, as of 2006 not a single bond issue had been approved. As another example, local banks generally require asset-backed collateral on business loans, providing limited access to cash flow-based or personal credit loans available in other markets. Finally, the loan guarantee market is not transparent, and as a result constitutes a risky, expensive, and unreliable route for SME financing, even when such loans are approved.

Transparency and clarity of information

Accurate information regarding regulations and policies is often more difficult for SMEs to obtain, due to resource and time constraints that do not impact larger companies. Because information may often be obtained through personal relationships rather than public disclosure, even when the information is publicly available, companies with fewer employees face an inherent disadvantage. Government employees may at times release information differently to representatives of large, branded companies and to SMEs. Although in some municipalities SME Information Centers such as the Beijing SMEs Information Center have been established, further efforts toward promoting clarity of information and publication of regulations at the national, provincial and local levels would achieve much in the way of empowering SMEs to protect their legal rights.

Uniform application and enforcement of regulations irrespective of company size

A related issue is a consequence of the opacity of the regulatory environment at the SME level: even when applicable regulations and policies are clearly presented, application and enforcement of those regulations and policies often appear to be inconsistent, and often appear to favor relatively larger

companies. There appears to be no effective self-correction mechanism built into the system to ensure that complaints and abuses are effectively administered toward satisfactory resolution, regardless of company size. Smaller companies may at times feel intimidated by the prospect, real or imaginary, of bureaucratic retaliation and may therefore submit few or no corrective comments for consideration; whereas larger companies may have other avenues (for example,



a well-staffed government affairs department) to encourage fair application and enforcement of applicable regulations.

Lack of depth of skills at the SME-end of the labor pool

While it is to be expected that more skilled workers will naturally gravitate toward the higher wages typically offered by larger companies, there appears to be a drastic difference between the skill levels of staff available to SMEs and staff available to larger companies. This significant disparity between the quality of human resources available to SMEs and larger companies is compounded by the fact that the quality of individual human resources is relatively less critical at larger companies where extensive institutional structures have been implemented.

Incorporation of non-Chinese perspectives into the SME policy-making process

Although the ministries of agriculture and commerce and the NDRC, as well as CCPIT and the China Association of Small and Medium Enterprises (CASME), are all working together for the benefit of Chinese SMEs, none of these organizations has yet embraced SMEs headquartered in China that are owned and/or operated by non-Chinese. As China continues to develop, it will increasingly attract immigrants from many nations who are looking to participate in the vast array of opportunities and expected economic growth. These businesspeople (many of them experienced and successful in their home countries) have a wealth of experience that they can share with home-grown Chinese business people and can employ to strengthen the overall quality of SMEs in China, but they can only do so if they are welcomed and invited to contribute to building a vibrant SME ecosystem shoulder-to-shoulder with their Chinese colleagues. ■

Corporate Social Responsibility

A policy environment that supports responsible operations and engagement with civil society organizations is essential for corporate social responsibility (CSR) to flourish. The development of such an environment requires multisector dialogue to identify constructive solutions and raise awareness, as well as consistent enforcement of regulations. AmCham defines CSR as the management of business operations in an economically, environmentally, and socially sustainable manner that takes into account the diverse interests of stakeholders. Key CSR issues in China include core business challenges such as transparency, environmental impact and supply chain labor conditions, as well as external initiatives such as community investments and public-private partnerships.

The most important positive development in China's CSR environment is the central government's unambiguous indication that CSR is a priority. Other positive developments in regards to labor, the environment, and civil society are detailed below. Dialogue has advanced considerably over the past few years, with numerous Chinese Government agencies actively adapting CSR concepts to the Chinese context. Institutions such as Peking University, the Chinese Academy of Sciences, and the Shanghai Party School have demonstrated leadership in promoting CSR. AmCham commends these activities and encourages the government to continue efforts to deepen the understanding of CSR as an integral aspect of doing business among officials, journalists, managers, and students.

Enhancing the environment for responsible Operations

Labor conditions and workplace issues

Poor labor conditions for Chinese laborers, including unpaid and forced overtime, payment arrears, unsafe workplace conditions, and other issues, constitute one of the more serious and contentious CSR challenges in China. Many American companies are leading the way in promoting healthy work environments for their own employees; however, ensuring compliance with labor standards and local laws across the supply chain with respect to the employees of other companies is not a straightforward endeavor. A range of individual business, industry, and regulatory factors contribute to the challenges in managing supply chains responsibly.

Any effort to improve working conditions in the supply chain must include a focused commitment to protecting the rights of workers. AmCham believes that significant improvement in protecting their rights can only be achieved through the long-term and cooperative efforts of multiple stakeholders. For this reason, the chamber has included recommendations for the governments of both China and the United States, as well as for U.S. companies sourcing from China.

AmCham applauds several recent advances towards building a fairer employment system:

- The Chinese Government has emphasized the importance of protecting vulnerable workers and has taken action to force the payment of delayed wages, expand training and funding for legal aid centers, and reduce workplace accidents. Many stakeholders are also now engaging more openly in dialogue concerning labor conditions, and AmCham looks forward to continued dia-

logue in 2007.

- AmCham supports the efforts of the government to protect the rights of laborers through the draft Labor Contract Law, and appreciates the opportunity to contribute comments to the legislative process. AmCham hopes to further contribute to the development of a healthy legal environment for both skilled and non-skilled workers.

- The ratification of the International Labor Organization's (ILO) Discrimination (Employment and Occupation) Convention (111) was an important step towards eliminating discrimination in the workplace. AmCham encourages the government to fully implement the convention to ensure that all Chinese have equal opportunity and treatment.

To continue to build on such advances, AmCham recommends that the Chinese Government:

- Improve enforcement of the 1994 Labor Law and other applicable regulations. Although progress has been noted in some jurisdictions, inadequate enforcement permits less scrupulous employers to undermine the efforts of socially responsible companies. The rights of workers cannot be protected without more consistent and rigorous enforcement of existing laws.

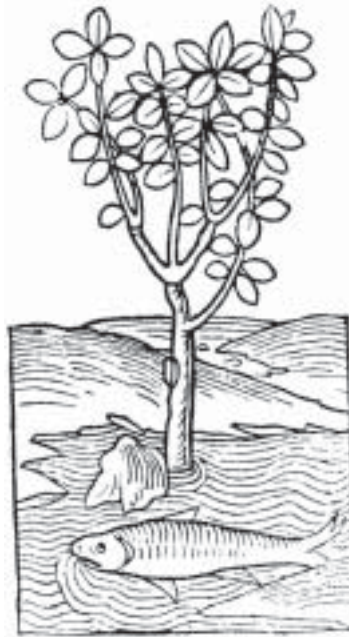
- Invest in training programs to better equip local officials to enforce the Labor Law. In addition, encourage and invest in management training programs that focus on quality, as well as health and safety, which have shown promise in improving the conditions for workers.

- Continue to explore mechanisms to increase the effectiveness of discussions or negotiations concerning working conditions, terms of employment, and workplace grievances, including directly elected workers' representatives and health and safety committees.

Dialogue and cooperation between the U.S. and Chinese governments have been useful in improving mutual understanding and technical implementation. AmCham therefore recommends that the U.S. government:

- Strengthen and extend the Labor Rule of Law program, currently scheduled to end in 2007. Through this program, the U.S. Department of Labor (DOL) has assisted the Chinese Ministry of Labor and Social Security (MOLSS) with the ongoing development of a legal framework to protect workers, provided Chinese labor officials with a better understanding of labor relations in the U.S., and facilitated experimentation with mechanisms for protecting labor rights.

- Revitalize the 2004 Letters of Understanding signed between DOL, MOLSS, and the State Administration of Work Safety (SAWS), that were intended to broaden cooperation in areas such as wage and hours regulation, enforcement, public awareness,



and data collection, as well as occupational safety and health.

AmCham also recommends that U.S. companies continue to communicate with and monitor the performance of their suppliers, while building the capacity of local officials and suppliers to improve compliance by sharing human resources techniques and broader management skills.

Environmental performance

Improvement in environmental compliance and enforcement is urgently needed to safeguard

sustainable development of China's economy, the health of the business climate, and—most importantly—the well-being of Chinese citizens. Furthermore, uneven enforcement of environmental regulations is a hidden subsidy for poorly performing companies that puts more conscientious businesses at a disadvantage. AmCham commends the government for emphasizing environmental issues, including the following advances in 2006:

- The 11th Five-Year Plan emphasizes the importance of sustainable development, resource conservation, and environmental protection, with clear targets in areas such as pollution reduction and energy efficiency.

- The nationwide enforcement efforts of the State Environmental Protection Administration (SEPA) continued to rise in profile and scope. SEPA also announced the establishment of five regional environmental protection centers tasked with supervising local implementation and enforcement.

- SEPA and the Ministry of Finance jointly released Implementation Opinions on Government Procurement of Environmental Label Products. They constitute a solid step towards increasing the uptake of more environmentally friendly technology.

The U.S. government has clearly recognized the importance of supporting environmental progress in China due to the potential impact of environmental degradation on the health of American citizens in the United States, as well as on long-term trade and mutual economic development. AmCham appreciates the commitments that the U.S. government has already made in these areas, and encourages continued investment in bilateral dialogues and technical cooperation programs, including partnerships to improve resource efficiency and regulatory enforcement.

AmCham companies improve environmental performance and resource efficiency, and they build local capacity by sharing experience, skills, and technology with local officials, suppliers, and other members of the business community.

Enhancing the environment for partnerships and community investment

Nongovernmental organizations (NGOs) play vital roles in CSR: they promote new

approaches to CSR challenges, assist companies to understand their environmental and social impact, act as watchdogs for corporate behavior, and serve as implementation partners and a channel for charitable giving. Furthermore, NGOs can meet urgent needs by providing services that neither government nor companies are equipped to handle, thereby enhancing the long-term social stability necessary for sustainable economic growth. The development of a vibrant civil society is fundamental to the cultivation of a CSR climate.

NGO registration

While the number and capacity of independent NGOs in China is increasing and the government is working to clarify the registration system, many organizations that make valuable contributions to society are still unable to operate within the existing legal framework. This has created a shortage of suitable partners for CSR programs, as U.S. companies are generally unable to donate funds to or partner with unregistered organizations. In the absence of clear or legally recognized roles, NGOs are limited in their ability to lend their experience and unique perspective to public efforts to address social and environmental issues. AmCham believes that it is in the interest of Chinese society for policymakers to design a regulatory framework that enables independent, transparent non-profit organizations to obtain official registration more easily.

The promulgation of the Regulations on the Administration of Foundations in 2004 was a significant step forward. AmCham understands that registrations have proceeded more smoothly in 2006 than previously, with 1,138 foundations registered by the end of last year, an increase of 13.9 percent over 2005 [2006 Statistic Report of Civil Affairs Development]. AmCham would greatly appreciate the opportunity to provide input as the Ministry of Civil Affairs prepares regulations to govern social organizations and nonprofit enterprises.

Incentives for community investment

Tax incentives can be a powerful tool for stimulating corporate contributions to social and environmental programs. AmCham appreciates the January 2007 release by the Ministry of Finance and the State Administration of Taxation of Notice on the Policy and Related Administration Issues Regarding Pre-Tax Deductions of Donations for Public Welfare Undertakings and Relief Efforts. This notice should significantly clarify the procedure for obtaining tax deductions for corporate donations, while expanding the number of nonprofit organizations eligible.

AmCham also commends the Ministry of Civil Affairs on the recent draft Charity Law, and hopes to provide more substantive comments as that law is further developed.

Summary

The improvement in the CSR climate over the past two years has been impressive. AmCham appreciates the efforts of the Chinese and U.S. governments to create conditions that promote responsible operations and facilitate public-private partnerships and community investment.

In 2007, the chamber looks forward to continued dialogue on these issues involving all levels of government, civil society, and the foreign and Chinese business communities. ■

Environmental services and technologies

China's rapid growth and increasing demand for energy and resources have contributed to severe pollution and resource depletion, and are increasingly a constraint on China's economic development, as well as adding pressure to public health and social stability. The Chinese Government has taken a number of steps to address these important environmental issues, including setting aggressive pollution reduction and conservation targets in the current Five-Year Plan, incorporating "green GDP" measures into the performance appraisals of government officials, and expanding public participation during the Environmental Impact Assessment (EIA) approval process. AmCham supports these and other initiatives to face these difficult challenges. Nonetheless, China's environment continues to deteriorate.

American companies and industry organizations can play an important role in addressing China's environmental problems. They have extensive knowledge and experience in project management, manufacturing process training and best practices, cutting-edge technologies, environmental management systems (EMS), and cooperation between public and private sectors—all of which can contribute to successful pollution prevention and natural resource conservation across industries and sectors. Through improved access to China's markets, and with increased promotion and education cooperation that introduces the economic and environmental benefits of this advanced knowledge and technology, American enterprises and investors can be valuable partners in advancing a "greener" economy while developing their business.

Improving the environmental services market AmCham supports China's efforts to improve the market for environmentally friendly products and services. Barriers to foreign participation, however, remain in this sector. Including environmental stewardship into economic planning and decision making helps guide investors and enterprises toward sustainable, efficient operations. Additionally, cities and companies that lead this transition will attract investment over others, while also attracting top talent.

Structural barriers

Member companies have expressed concerns over some aspects of the bidding process for build-operate-transfer (BOT) and build-transfer-operate (BTO) environmental projects. For example, certain municipal pricing bureaus do not confirm service fees until after infrastructure projects are fully invested and constructed. In practice, the potential for downward adjustments in service fees from the bid price is a significant business risk that limits companies from participating in environmental projects. Second- and third-tier cities are most damaged by this practice because margins for their environmental projects are relatively tighter.

Restrictions on formation of holding companies are especially damaging to the environmental service companies. AmCham member companies work closely with local governments and must establish unique, local project companies to carry out municipal environmental infrastructure projects. For example, while the State Administration of Industry and Commerce (SAIC) has recently relaxed their restrictions on foreign-invested enterprises (FIEs) making

investments in subsidiary companies, such investments are still prohibited by the Ministry of Commerce (MOFCOM). MOFCOM regulations prohibit most FIEs from investing more than 50 percent of their registered capital in another company. Also, MOFCOM requires most FIEs to "commence to make profit" before they can invest in a subsidiary company. These policies have the effect of restricting the creation of holding companies, which in turn creates redundancies of basic "main office" support services and increases the cost of environmental services.

Market mechanisms

AmCham supports the use and expansion of market-based instruments to implement environmental policies. Such tools allow businesses a degree of flexibility in their pollution control efforts while minimizing the cost of environmental protection for the Chinese economy. Market-based instruments also create useful incentives for adoption and purchase of advanced and innovative technologies which in turn facilitate market access for AmCham member companies providing these technologies. Nonetheless, current rules that limit foreign ownership for sellers of carbon emission credits, require registration of multiple project offices, and place controls on market pricing are a disincentive for foreign participation, and are also detrimental to achieving carbon reduction goals.

China's energy consumption per unit of gross domestic product and water consumption per unit of dollar output are both relatively high. Extensive economic gains can be realized by resource conservation and pollution reduction. These gains in turn can fuel increased demand for advanced environmental technologies and management services. For example, by continuing to raise usage fees for water, energy and resources to levels that more accurately reflect the scarcity of these inputs and the full costs of supplying these resources, consumers and industry will have greater incentive to conserve and utilize these resources efficiently. Funds from the subsequent cost savings can then be reinvested into more effective technologies and management practices.

"Green" product labeling programs, such as the Ministry of Finance (MOF) and SEPA's recently announced China Green Labeling Program to guide government procurement, should be further encouraged. Such programs support fair competition among producing companies by increasing the demand for products that meet energy efficient and environmentally friendly performance levels.

Import tariffs

Further reductions in import tariffs for energy efficient equipment and environmental remediation equipment would help lower the overall cost of environment protection in China and raise the quality of environmental technology available in the market. AmCham notes, however, that appraisal of tariff codes is inconsistent, with different customs offices reaching alternate code as-

essments on the same product imported for environment-related project applications.

Uniform interpretation and enforcement of environmental regulations and legislation

China has made great progress in preparing environmental legislation. However, it is sometimes difficult to find and verify the needed information relevant to a company's business interests. Furthermore, inconsistencies in the interpretation of regulations at local levels often lead to confusion for businesses, hindering their ability to effectively pursue specific projects and markets.

Improving data measurement and monitoring, and streamlining access to comprehensive and regularly updated data and regulatory and legislative information, would allow business executives and others concerned in projects more timely access to important information and would also help reduce inconsistencies in interpretation and application across localities.

To see successful results from national policy initiatives, regulations, legislation, and standards need to be put into practice effectively at the local level. Local environmental protection bureaus (EPBs) often do not have adequate resources, training or authority to effectively carry out monitoring, inspection and enforcement duties to support the increasing number of environmental regulations and targets set by SEPA, NDRC, MOC and other central government bodies. This structural gap undermines China's environmental goals. AmCham is concerned that incomplete local implementation fosters a situation where companies that pollute and avoid compliance costs are at a relative advantage to companies that are paying the costs of compliance.

Currently, noncompliance fines are low. Without meaningful financial penalties, and without a comprehensive enforcement structure in place, the monetary costs for noncompliance will not be sufficient to convince industry to invest in cleaner inputs, greener manufacturing processes, and energy efficient technologies. Compliance across the board is in the best interest of government regulators, local inspectors and industry: It promotes leading technologies and effective management practices, and promotes healthy competition among investors and suppliers. Conversely, uneven enforcement of environmental regulations reduces access to markets and investment projects for AmCham companies' equipment and technologies.

Standards development and implementation

Comprehensive standards that are effectively enforced oblige polluting businesses to clean up and endorse the adoption of cleaner technologies and production processes. AmCham supports the progress that China has made in developing and advancing environmental standards. For example, within the last two years standards were pro-

mulgated for non-incineration technologies for medical waste treatment. Communities now have a viable option to incinerating their medical waste. This work has meant significant progress in reducing harmful waste emissions through cleaner production equipment and process design, and in reducing air pollution emissions by utilizing energy efficient technology. Recent efforts by SEPA to strategically upgrade examination and approval criteria for investment projects by evaluating environmental impacts of projects across regions and across industries, demonstrate SEPA's commitment to including environmental measures in economic decisions SEPA. However, lacks the authority and responsibility to effectively enforce its decisions.

AmCham encourages China to continue the brisk pace of standards development. For example, adoption of advanced technologies is often delayed until relevant government authorities can develop standards for the new technology. Not only does this sometimes act as a barrier to entry and market access, it encourages the use of older or less efficient technologies that contribute less to waste or emission reduction targets.

Alternatively, creating and adopting technology-neutral standards that are based on performance reduce barriers to market access for newer, leading technologies and processes. Implementing performance-based standards would also provide incentives for utilizing cleaner, more efficient technologies and management systems by encouraging new thinking on environmental problems and quickening the time-to-market for these technologies. U.S. companies and organizations have extensive experience in cooperating with government and industry to define and adopt environmental standards across numerous sectors and industrial applications. Increasing the targets of standards and upgrading the infrastructure for more effective compliance and enforcement will encourage demand for cleaner, more efficient technologies and foster competition and innovation among all market players.

AmCham also encourages China to upgrade the standards monitoring, inspection and enforcement capabilities of local environment protection officials. Increased training, additional equipment and further funding can provide the tools needed to perform comprehensive implementation of standards thus encouraging improved and longerterm compliance from companies. AmCham member companies are leaders in provision of measurement and monitoring equipment, project environmental management and 'green' supply chain management knowledge, and energy efficiency and waste reducing technologies. Sometimes however, useful emissions monitoring data for example, which is incorporated into a treatment system, is not utilized by inspection teams because there is no standard requiring it. A more effective standards adoption and compliance framework can create both greater market opportunities for leading products and services, and enhance monitoring data gathering and reporting capabilities. ■

For the latest Chinese arts events in the Twin Cities area visit www.chinainsight.info

Investing in China's Stock Markets- An overview of its development

By Greg Hugh, Staff Writer

"Investing in China's Stock Markets" was the title of the presentation made at the January meeting of U.S.-China Business Connections (UCBC) that was presented by Gregory Grunsted of Feltl and Company, a local Securities-Investment Banking firm. Anyone attending this presentation expecting to receive tips on how to get rich quickly would have been disappointed since the speaker focused primarily on the historic transformation of China's capital market along with the emerging opportunities they are providing to investors.

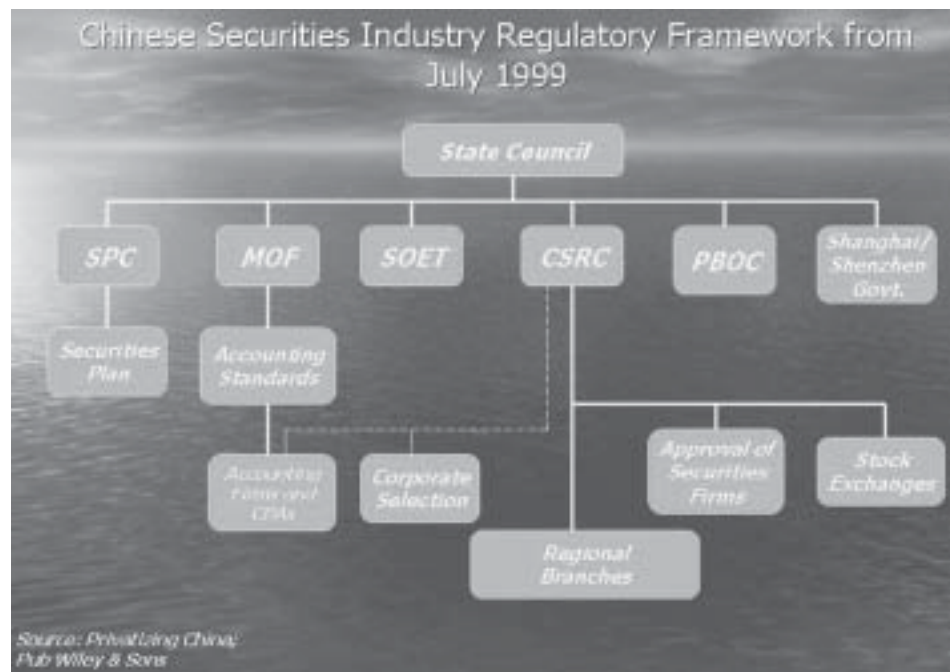


Gregory Grunsted of Feltl and Company

As reflected by the 50 plus people in attendance, there evidently is a great deal of interest in learning more about the Chinese capital markets and the speaker made an excellent presentation explaining the differences in accessing these markets which are unique to China and are not readily apparent to the average American investor. His approach was more about perspective and how to analyze what is happening in China, rather than on any specific investment ideas.

During his presentation Grunsted discussed basic areas of China's securities industry that included legal, regulatory, share structure, issuers, investor base and market performance. The following charts illustrates how China regulates its markets and lists the various forms of stock ownership.

Slide 1



Source: Privatizing China: PwC, Wiley & Sons

(See slides 1 and 2 below)

Also, discussed during the presentation were some key historical events, the occurrence of "Bubbles and Busts" along with geographic factors which all should be taken into account in understanding developing markets. References were also made on the U.S. capital markets and how it ranks compared to the global capital markets. The following chart illustrates a projection to the year 2030:

(See slide 3 below)

During his discussion on basic economics, Grunsted cautioned the use of comparisons of Gross Domestic Product figures in international comparisons which he felt were especially unsound for developing and transitional economies. The Purchasing Power Parity is more difficult to measure and estimates can take two or three years.

At the conclusion of his 45 minute presentation, Grunsted then made himself available for questions. The Q & A session lasted almost as long as his presentation and Grunsted stated "It was interesting and fun for me, and the quality and variety of questions the group offered at the end reflected very well on the quality of the attendees. I hope all who were there enjoyed themselves and came away with something of value."

And if this didn't satisfy your need to learn more about the China market, the topic of UCBC's next meeting to be held on Feb. 6 is "Insider's Look at the Chinese Economy" to be presented by Scott Anderson, Wells Fargo Senior Economist and Lead China Economist. For complete details visit UCBC's Web site at www.ucbcgroup.org.

Editor's Note: The information contained in this article may not reflect the position of China Insight nor does the opinion of the writer or the presenter. Readers are welcome to contact Greg Hugh at ghugh@chinainsight.info or Gregory Grunsted at ggrunsted@feltl.com.

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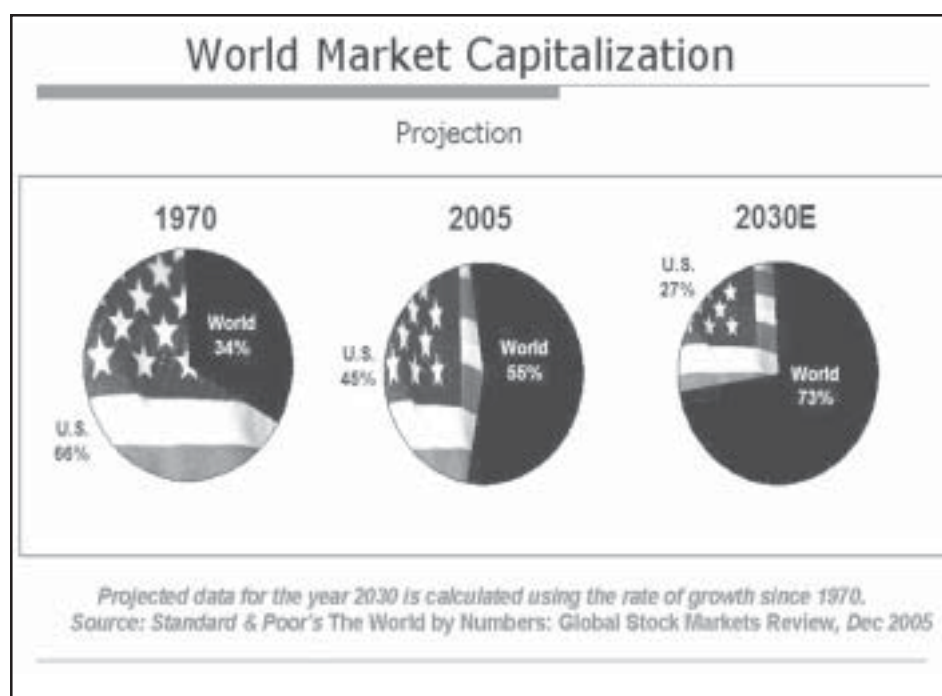


Doyle & Associates
Tax and Financial Services

Slide 2

Share Structure	
A Shares	Traded by mainland citizens and select foreign institutions
B Shares	Traded by both foreign and mainland citizens
H Shares	Mainland companies listed on Hong Kong and foreign exchanges.
N Shares	Mainland companies traded on the NYSE
L Shares	Mainland companies listed and traded on the LSE

Slide 3



Projected data for the year 2030 is calculated using the rate of growth since 1970. Source: Standard & Poor's The World by Numbers: Global Stock Markets Review, Dec 2005

UCBC celebrates Chinese New Year at its first ever social event

By Greg Hugh, Staff Writer

On Wednesday, Jan. 23, 2007, U.S.-China Business Connections (UCBC) held its first ever social event at Grand City Buffet in St. Louis Park, Minnesota. Unlike the normal monthly business meetings that include a continental breakfast, time for networking and a presentation on a selected topic, this event was much more casual. Although the event was scheduled to begin at 5:30 p.m., it really didn't start until about 6 p.m. when UCBC Board Member Jim Smith introduced Warren Vollmar, UCBC President.

Vollmar began by welcoming the group to this celebration and announced that the evening's agenda would include entertainment by performers from the Twin Cities Chinese Dance Center (TCCDC) and remarks from State Representative Erik Paulsen followed by a buffet dinner.

Prior to the entertainment, attendees were asked individually to introduce themselves to the group.

The performers from TCCDC then treated the group to a number of dances and musical pieces performed on a variety of traditional Chinese wind instruments.

Following the entertainment, State Representative Erik Paulsen, who was instrumental on passing initiatives for Mandarin language programs in Minnesota schools and the India Center at the University of Minnesota, was introduced and gave a brief talk about his recent trip to China and India.

Rep. Paulsen began his remarks by stating that America and Minnesota are at their finest when they are trading and building relationships with countries like China. He stated that we can choose to engage or can choose to dis-engage but we can't decide that the Asian marketplace will be a center of economic gravity as the 21st century plays out. He believes that this is the moment to learn; experiment; explore and engage in the world.

According to Rep. Paulsen "We should trust in the American spirit to innovate and respond to opportunities as they emerge; to work and learn from others; to learn by trial and error; and to have confidence that



State Representative Erik Paulsen

our American DNA will allow us to remain at or ahead of the pace of this emerging dynamic world."

In discussing some goals he had, he stated that one goal is to encourage and motivate the state's public leadership to be leaders and show others in America how this can/

should be done and make the teaching of Mandarin Chinese available in every high school is another goal, regular trade exchanges are another priority, more investment in platforms like the University of Minnesota China Center and India Center is another key idea.

In closing he stated that "I'd also like to see more focus in the Minnesota Trade Office by specifically opening a Minnesota India Trade Office following on the China office to devote singular attention to these very dynamic societies and translating what is learned at the state level into actionable programs, activities for business, education, public policy here at home..."

At the conclusion of his talk, Rep. Paulsen offered to take a few questions but admitted that everyone was probably anxious to move on to the next item on the agenda which was to help themselves to the great buffet dinner so he offered to speak one on one with anyone that wished to speak with him while they worked their way through dinner.

It appears UCBC's first social event was a success and we observed nobody went home hungry and according to Jim Smith, there were at least nine new individuals that attended their first UCBC meeting. ■

Editor's Note: A separate report on UCBC's regular monthly business meeting appears elsewhere in the paper.

Rep. Erik Paulsen officially announced his candidacy for the United States Congress on Jan. 27 at a rally at Scenic Heights Elementary School in Minnetonka. He is the only candidate seeking the Republican endorsement for the 3rd district seat opening due to the retirement of Republican Rep. Jim Ramsted



Performers from the Twin Cities Chinese Dance Center (TCCDC) treated the group to a number of dances and musical pieces performed on a variety of traditional Chinese wind instruments.



Global Advertising Strategies releases online survey of Chinese Americans: Immigrants from Mainland China shown to be thriving

A new survey conducted by Global Advertising Strategies in conjunction with Chinese Media Net looks at a sub-segment of the second largest immigrant group in the United States -- Chinese-American Internet users. The survey covers preferences and consumer habits across several categories including media, finance, automotive, travel

and the telecommunications industry. There are over 100 questions in all.

With over 89 percent of respondents originating from Mainland China, the survey helps marketers to better understand the fastest growing segment of the Chinese American market which in of itself is the 2nd largest immigrant group in the United States.

Sixty-nine percent of respondents reported a post-graduate degree and boasted a median household income of US\$55.6 thousand annually. By comparison, the average mainstream Internet user increasingly reflects the demographic make-up of the United States all together: with a median income of US\$48 thousand annually and a lower educational level (only 30 percent possess post-graduate degrees.)

Respondents credit card ownership was an astounding 95 percent as compared to a U.S. average of only 67.9 percent and 44 percent reported banking online at least twice a week.

Other interesting findings from the study include:

- Over 40 percent are frequent domestic travelers, tearing down the misconception that Chinese only travel to Asia.
- Nearly 80 percent of respondents own their car bucking the national trend in recent years to lease-up in status.
- Over half remit money back to China with the majority choosing to use banks for their transactions.
- Chinese language Web sites accounted for over 70 percent of preferred content but Chinese search engines accounted for less than half of search engine usage.

Larry Moskowitz, Globals VP of Integrated Marketing Services and an Asian marketing expert, commented that, today's Chinese immigrants are dynamic and savvy members of the American marketplace and while they do appreciate Chinese language communications and customer service, they no longer view those attributes as viable substitutes for product value and reliability. This view is reinforced by the fact that among this group of Chinese immigrants, the conventional caring about my community and Chinese customer service rank at the bottom two of importance, concluded Moskowitz.

Ms. Mingdi Yang, CEO of Chinese Media Net indicated that the Online Chinese community in America is ripe for all marketers to reach. She went on to add that, we know that they are heavy users of Chinese content but comfortable with consuming goods and services in a non-Chinese environment all marketers need to do is invite them to their brand experience.

The study is available for download at Global Advertising Strategies research section of the Web site. For more information on the Chinese American Online Survey, contact Larry Moskowitz at 212-964-0030 x277. ■

Led by Coke, cream rises to top before Olympics torch and official sponsors improve marketing 'ROI'

The latest round of China's largest Olympic research—by R3 and CSM Media Research—amongst Chinese consumers shows significant improvements in the overall interest of the Olympics in China, and increased support for the torch and Olympic sponsors.

"Since we started tracking eighteen months ago, support for the Games and sponsors is now at an all time high, and complaints about the event, such as traffic and pollution, is now at its lowest point," said Greg Paull, Principal of Beijing based consulting firm R3.

"A lot of this can be credited with improved marketing campaigns—offering tangible rewards such as tickets, torch opportunities and supporter mechanisms," he added.

Media Spend and Program Sponsorship up

Marketing and media activity is also now at unprecedented levels amongst sponsors.

"To date, we've seen more than RMB30b in measured media spent by key sponsors—and we expect at least that much again in the coming months," said Matt Brosenne, International Client Services Director, CSM Media Research, a TNS Group Company and partners in the study with R3.

"This excludes more than 300 hours of content in the last three months sponsored by key players such as Lenovo, Coca-Cola and Yili, amongst others," he added.

Coca-Cola leads the way

After more than 8,000 face to face interviews in ten key Chinese cities, Coca-Cola lead the study in terms of Olympic aware-

ness, purchase intent and recall. "Coke have made some big bets with Liu Xiang and Yao Ming, and supported it with consistent, integrated marketing," said Paull.

"More than 38 percent of respondents spontaneously mentioned Coke as a sponsor, up from just 10 percent a year ago" he added.

Coke performed strongest in terms of promotional recall and media efficiency. "Coke's return on investment is now the best of any of the official Olympic sponsors," said Brosenne.

"This wave they invested just 5 percent of total Olympic media expenditure and achieved 29 percent promotional—recall—driven by their Dream Team, Torch Relay and Yao Ming association," he added.

Other Torch Relay sponsors moving up

Interest in the Torch Relay is now almost as high as in the games themselves, with the event scheduled to cover more than 100 cities and 100 million participants in China alone. Other sponsors Lenovo and Samsung were among the five fastest movers this wave. "The new Lenovo communication is clearly touching the hearts of Chinese—recall and interest is at a new high," added Paull.

OP scores growing amongst leaders

R3 and CSM's proprietary "OP Index" shows continued growth by the leaders as they build closer connections between their brands and consumers. The OP Index includes results from awareness, brand values, promotional impact and purchase intent over time.

TOP FIVE "OP" COMPANIES -- WAVE 6

1. Coca-Cola
2. Yili
3. China Mobile
4. Pepsi
5. Lenovo

TOP FIVE "OP" MOVERS -- WAVE 6

1. Coca-Cola
2. China Mobile
3. Lenovo
4. Samsung
5. Sohu

Chinese companies perform well

More than in any previous Olympics, the local companies continue to perform well in terms of marketing recognition. In this study, they occupy 10 of the top 21 positions, attracting strong recognition and positive local spirit for their sponsorship investments

TOP TEN LOCAL COMPANIES -- WAVE 6

1. Yili
2. China Mobile
3. Lenovo
4. Mengniu
5. Li Ning
6. Bank of China
7. Haier
8. PICC
9. Arawana
10. Air China

Marketing clutter increases

R3 and CSM also tracked more than 600 new marketing campaigns in the last three months related to the Olympics. "The noise levels are going to go off the scale," said Paull. "The marketers that are winning are doing so through consistency and creativ-

ity, not through spend alone. Smaller spending companies such as VISA and Adidas are still competing well," he added

Major new marketing campaigns included

— New campaign from Yili featuring Liu Xiang and Company CEO Pan Gang, clearly demonstrating the company's commitment and Olympic sponsorship

— New Olympic Torch communication from Coca-Cola, Samsung and Lenovo

— New marketing initiatives from China Mobile, launching a mobile Web site with Olympic information

— New Olympic campaign from UPS focusing on delivery leadership

— "Green Olympics" initiatives from VW, Lenovo and others

— New spot from VISA featuring Jackie Chan in his quest to get Olympic tickets

Web site: <http://www.csm.com.cn/>

<http://www.rthree.com/> ■

Source: PRNewswire/Xinhua

Books from Page 4

China, Inc.: How the Rise of the Next Superpower Challenges America and the World

By Ted C. Fishman



Synopsis

China today is visible everywhere -- in the news, in the economic pressures battering the globe, in our workplaces, and in every trip to the store. Provocative, timely, and

essential -- and updated with new statistics and information -- this dramatic account of China's growing dominance as an industrial superpower by journalist Ted C. Fishman explains how the profound shift in the world economic order has occurred -- and why it already affects us all.

How has an enormous country once hobbled by poverty and Communist ideology come to be the supercharged center of global capitalism? What does it mean that China now grows three times faster than the United States? Why do nearly all of the

world's biggest companies have large operations in China? What does the corporate march into China mean for workers left behind in America, Europe, and the rest of the world?

Meanwhile, what makes China's emerging corporations so dangerously competitive? What will happen when China manufactures nearly everything -- computers, cars, jumbo jets, and pharmaceuticals -- that the United States and Europe can, at perhaps half the cost? How do these developments reach around the world and straight into all of our lives?

These are ground-shaking questions, and *China, Inc.* provides answers.

Veteran journalist Ted C. Fishman shows how China will force all of us to make big changes in how we think about ourselves as consumers, workers, citizens, and even as parents. The result is a richly engaging work of penetrating, up-to-the-minute reportage and brilliant analysis that will forever change how readers think about America's future.

The Covenant and the Mandate of Heaven: An in-depth comparative cultural study of Judaism and China

By Tiberiu Weisz



Synopsis:

If China is yin there must be an opposing culture that matches her in endurance, sustainability and depth.

Is Judaism the yang of China's yin?

What cultural bonds tied Judaism and China?

Israel and China, past, present and future.

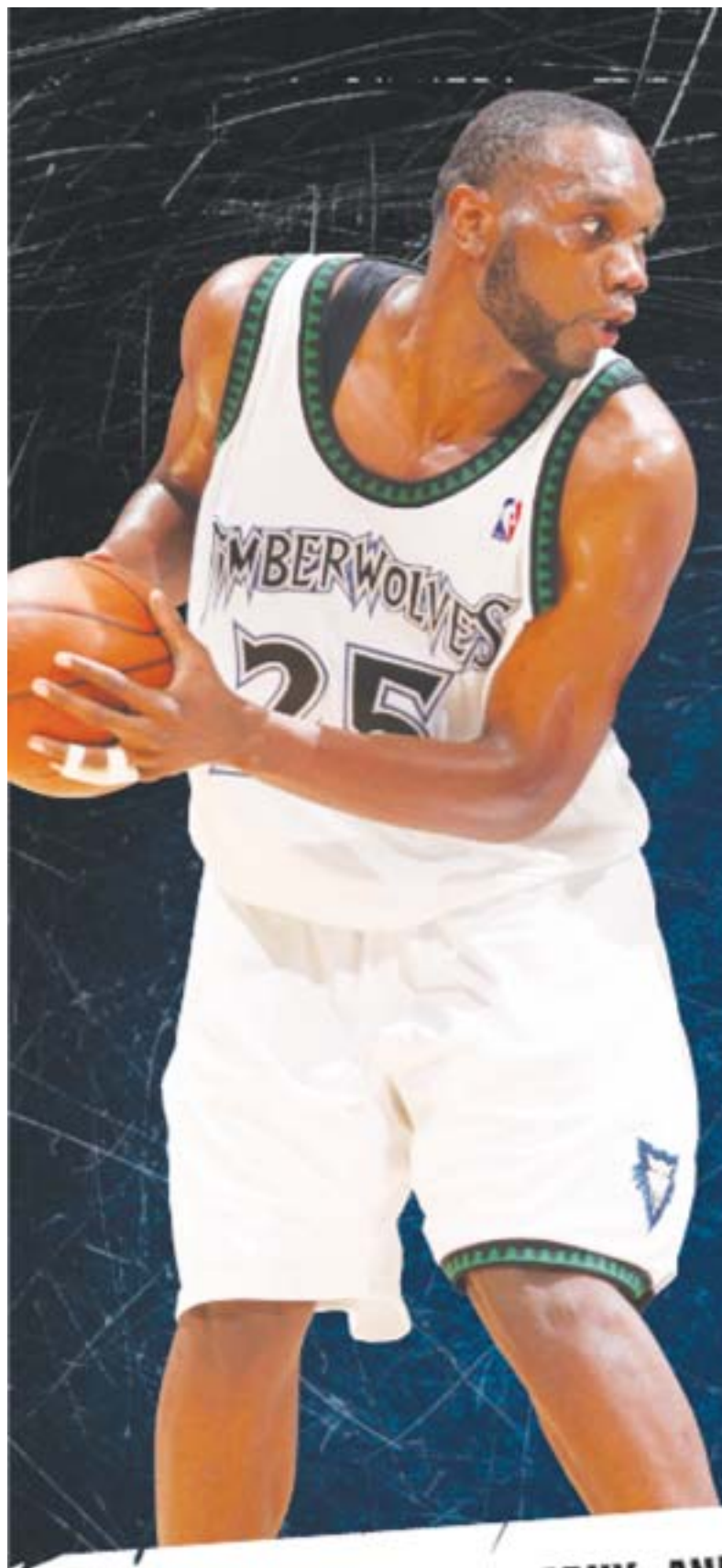
These are just some of the topics explored in this book in a historical setting: not Chinese nor Jewish, but Chinese AND Jewish. The book compares ancient and con-

temporary Chinese sources with corresponding Western literature to show that these two cultures balanced each other in a cultural relationship of YIN and YANG: one as a religion that deeply influenced Western cultures and the other in an opposing environment secluded, isolated and little understood by outsiders.

The book also presents China and Judaism through the eyes of the people who have faithfully followed their tenets since antiquity. Readers will see these two cultures in a new light: not as "fossils" but as two vibrant cultures tied by invisible bonds to survive and flourish to present day.

Sources: Barnesandnoble.com and Tiberiu Wwise





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