



MONTHLY UPDATE ON CHINA

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South Central China Developments

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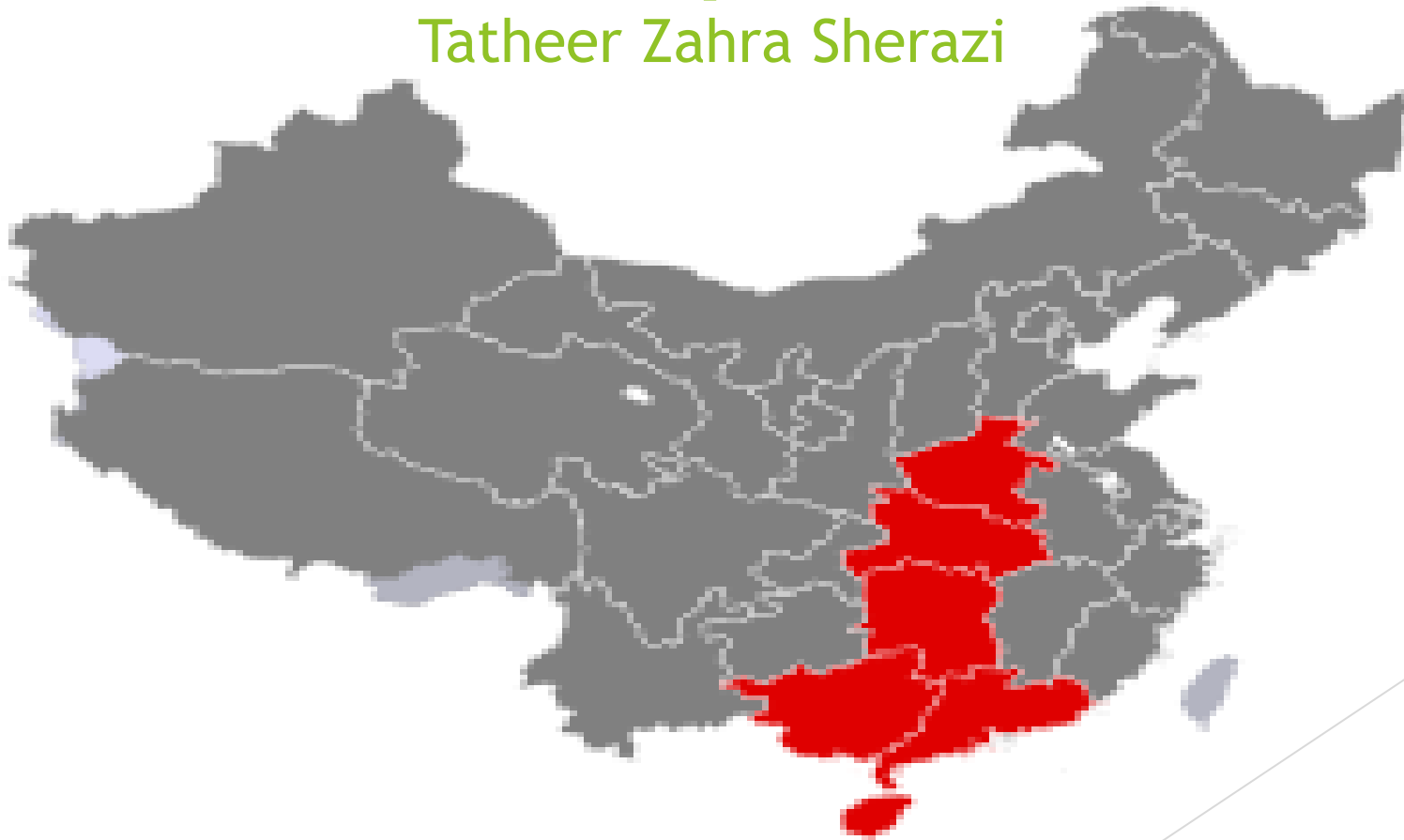
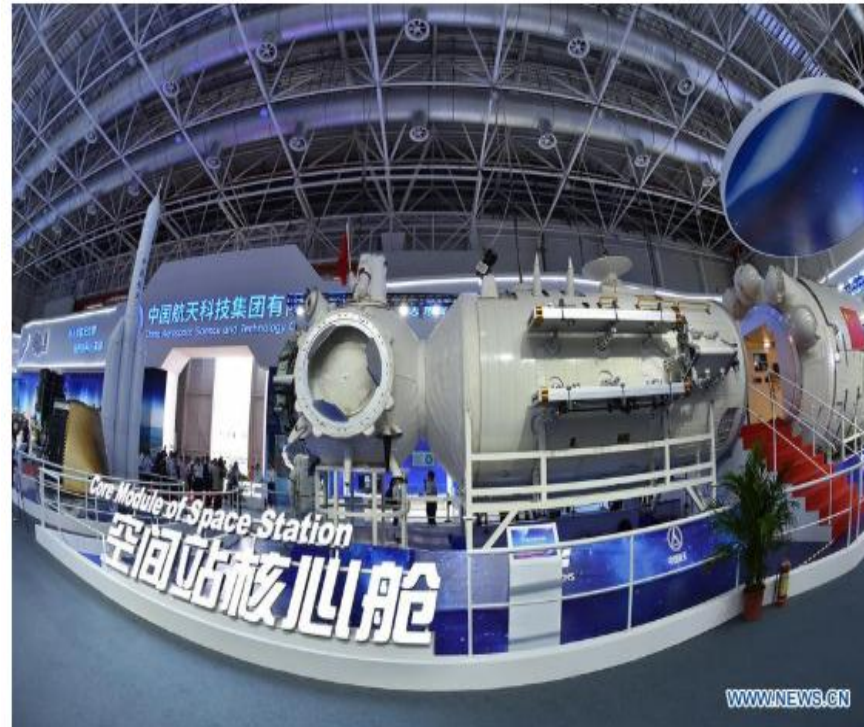


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12th China International Aviation and Aerospace Exhibition

- ▶ The six-day exhibition took place in Zhuhai, in south China's Guangdong Province.
- ▶ A total of 770 firms, including Boeing and Airbus, from 43 countries and regions participated in the event.
- ▶ The audience number reached about 450,000, including about 150,000 professional audience members.





- ▶ The event had an indoor and outdoor exhibition area of about 500,000 square meters, with 146 aircraft from home and abroad displayed.
- ▶ During the exhibition, 239 aircraft were traded, according to the organizer.
- ▶ Deals worth more than 21.2 billion U.S. dollars have been signed at the 12th China International Aviation and Aerospace Exhibition (Airshow China).



Top 30 Most Innovative Chinese Cities 2018

- ▶ Six Guangdong cities - Shenzhen, Guangzhou, Zhuhai, Dongguan, Zhongshan and Foshan - were listed in the Top 30 Most Innovative Chinese Cities 2018, which was released by Forbes China on Nov 30.
- ▶ Shenzhen topped the list, followed by Beijing and Jiangsu province's Suzhou.
- ▶ According to Forbes China, the innovation level of all the country's cities was evaluated according to indicators such as
 - ▶ the number of newly applied-for patents (per capita and total)
 - ▶ patent grants (per capita and total)
 - ▶ invention patent grants (per capita and total)
 - ▶ international patents or PCT applications (per capita and total)
 - ▶ and the proportion of science and technology expenditure to local fiscal expenditure.



- ▶ Shenzhen has risen two spots to be ranked No. 1 in business environment among China's 35 major cities in 2018, according to a report issued by the Academy of Greater Bay Area Studies . Shenzhen is followed in the assessment by Shanghai, Guangzhou, Beijing and Chong-qing. Shanghai was No. 4 in last year's report with six indicators to measure.
 1. including soft environment
 2. infrastructure
 3. business costs
 4. market environment
 5. social services
 6. and ecological environment
- ▶ The other cities in the top 10 are Chengdu, Nanjing, Hangzhou, Changsha and Wuhan. It is the first time that Chengdu has appeared in the top 10 while earlier Guangzhou was the 1.

Construction of Refinery

- ▶ Construction of the 20 million metric tons per year refinery in southern China by China National Petroleum Corp, the nation's largest oil and gas producer by domestic annual output, and Venezuela's PDVSA, kicked off in Jieyang in South China's Guangdong province, with a total 65.4 billion yuan investment.
 1. Petro China's fourth refinery in southern China
 2. after the 12 MMT/year Guangxi plant,
 3. 10 MMT/year Sichuan facility,
 4. and 13 MMT/year Yunnan complex, and one of the largest in China
 5. CNPC holds 60% and PDVSA 40%.
- ▶ Environmental investment of the project is estimated to reach 7.25 billion yuan, 11 percent of the project's total investment, to ensure energy conservation and emission reduction.
- ▶ Refining capacity in southern China, including Fujian, Guangdong, Hainan, Guangxi, Yunnan and Sichuan provinces, is currently 133.4 million mt/year

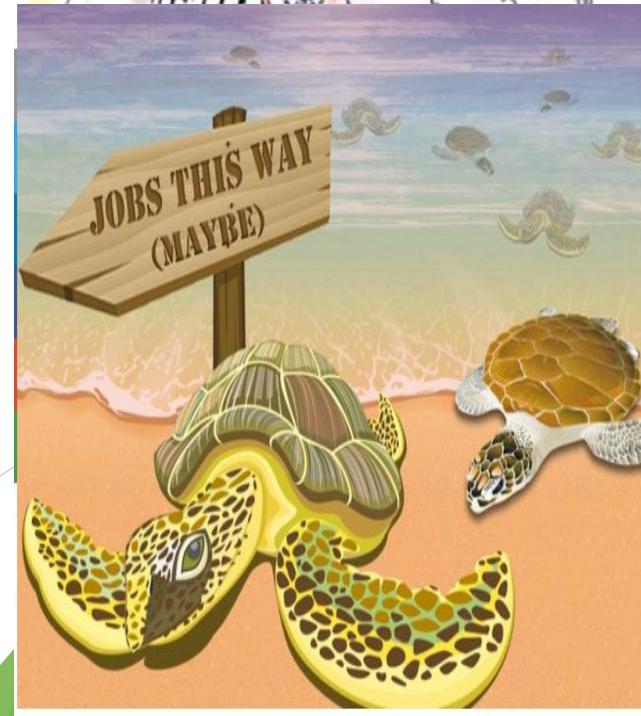


- ▶ project will be put into operation in October 2021 with the Products produced include petroleum, diesel, aviation kerosene, high density polyethylene, low density polyethylene, polypropylene, styrene and butadiene.



Guangzhou builds China's first overseas returnee town

- ▶ China's first overseas returnee town, Western Returned Scholars Association (Guangzhou) Biological Medicine Town, will be built in Guangzhou.
- ▶ the Guangzhou government has decided to build an overseas returnee town that will cover an area of 1 square kilometer.
- ▶ The overseas returnee town, which is based on the innovation platform of the Guangdong-Hong Kong-Macao Greater Bay Area, focuses on hightech industry and is expected to attract 50,000 overseas returnees.
- ▶ A 2 billion Yuan (\$290 million) operation and management guidance fund will be set up for the overseas returnee town.
- ▶ The overall volume of the fund is expected to reach 20 billion Yuan.
- ▶ It plans to build 10 similar towns across the country, and many cities including Zhengzhou, Chengdu, Xi'an and Zhuhai have submitted applications for the construction of an overseas returnee town



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