



Newsletter from Danish-Chinese Business Forum - December 2006



News from the Chairman

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DCBF Knowledge Sharing Database Released By Tom Jensen, DCBF Secretary General

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Number of visitors to DCBF website www.dcbf.dk increased

An viewer statistics report on DCBF website shows development of the number of viewers to www.dcbf.dk in the past year

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Learn Chinese at ChinesePod.com

The website www.chinesepod.com offers free lessons in spoken mandarin for beginner's level to intermediate level.

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Quick News

A brief overview of interesting news from China. To view the full article please visit <http://www.dcbf.dk/News/From+DCBF/ca40/newsid/18756> or contact DCBF at info@dcbf.dk

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News from the Chairman

Chairman Nils Foss looks back on the past year, talks about his recent visit to China and presents the Activity Plan of 2007

Dear Members,

We are now more than one year old and I think that we can say that our achievements this year have proven the need for a Danish-Chinese network.

This fact has been acknowledged by His Royal Highness Prins Henrik, who has kindly agreed to become our Protector. This blue stamp greatly improves our chances of getting the right contacts in China and we are sure that this will also benefit our members.

We are now 84 members and our target is to reach 120 by the end of 2007. Through a growing number of members we will be able to expand and consolidate our database to make it an even better tool for our members. To reach this target we ask you to invite companies who are not yet members and who are working with or are planning to work in China to join our Forum.

In addition to our networking efforts we are planning a number of meetings in 2007. Below is a list of the meetings that have been scheduled. Please reserve the dates already now.

ACTIVITY PLAN 2007

- | | |
|---------------------|---|
| 11 January | Host: Ambu A/S
Negotiations with Chinese authorities, governmental customers – Cultural Differences
<i>CBS Asia Research Center, Verner Worm</i> |
| 26 February | Host: Deloitte A/S
Supporting cultural activities as a vehicle to brand Danish products and services the Chinese way
<i>Eric Messerschmidt, the Danish Cultural Institute, Beijing</i> |
| 19 March | Host: Eksport Kredit Fonden
Long-term and Short-term Credits on China
<i>Atradius (Atradius is the world's largest credit insurance company)</i> |
| 16 April | Host: Bech-Bruun
New Business legislation in China –How to keep yourself updated |
| 10 May | Host: Aalborg Industries A/S
Sourcing/ Outsourcing/Quality Control, Sales, Service in China |
| 12 June | Host: COWI A/S
Project sales in China |
| 10 September | Host: DFDS Transport A/S
Supply Chain Management in China |

8 October Host: Danfoss A/S

The Chinese B to B (Business to Business) markets – China, a new home market.

12 November Host: Carlsberg Breweries A/S

The Chinese retail market - Selling to the emerging Chinese middle class! Branding in China.

Visit to China

In November I had the pleasure of visiting China on behalf of DCBF and Foss A/S. The trip was most interesting since I succeeded in having meetings with four governmental offices: MOFCOM's (Ministry of Commerce) Investment department, MOFCOM's European office, MOST (Ministry of Science and Technology), and CCPIT (The Chinese Chamber of Commerce which has 70,000 members). One of the topics of discussion was the high-level Growth and Innovation Conference in Copenhagen which is on the drawing board for 2007 and where the participation of government people in China and Europe as well as top international business people is essential.

Later I met with the chairmen of the Danish-Chinese Chambers of Commerce in Beijing and Shanghai respectively. We already have a cooperation agreement with the Chamber in Beijing and we are planning to enter an agreement with the Chamber in Shanghai.

Visits were also paid to six of our member companies, the former Chinese Ambassador to Denmark, the Danish Cultural Institute in Beijing, the Danish Consul General in Shanghai and I was interviewed by two representatives of the Danish press (Børsen and Berlingske Tidende).

I am happy to report that all meetings were very positive and I hope that they will be of benefit to our members.

Finally I would like to wish you all a Merry Christmas and a Happy New Year!

Nils Foss

Chairman, DCBF



DCBF Knowledge Sharing Database Released By Tom Jensen, DCBF Secretary General

The database contains contact information for individuals in member companies with expertise and experience in these specific fields. We are currently in "Phase 2" of building up the database, compiling documents written by companies with relevant experience, and articles focused on specific industries.

On November 22, the DCBF database of members' competences was finally released. Divided into 33 subsections, with topics ranging from outsourcing to intellectual property rights to legal translation, the database contains contact information for individuals in member companies with expertise and experience in these specific fields. We at DCBF believe that this will be an effective way for the forum to improve, as it makes peer-to-peer information and advice sharing faster and more direct. We would like to thank everyone who are willing to share their knowledge with other members.

The database will be continually improved and expanded, as more members see the benefits of it and make use of its possibilities. The more members use it as a networking tool, the more advantageous it will be to all. It's not all about sheer size, however. The database provides an easy way to get in touch with fellow members in other companies who may just have the specific advice you need to avoid a major mistake or help you get in touch with the right Chinese sources. Help is just a phone call or an email away...

Although the database already contains more than 140 contact persons, it should still be seen as a work in progress. We would very much like your feedback on how to improve it, and we ask the few remaining members who have not yet submitted their contact information to do so.

Our own plan for "Phase 2" of this process is to include references to articles and reports from external sources under each topic of the database, providing you with the up-to-date information that is necessary to operate successfully in China. We are currently compiling documents written by companies with relevant experiences, and articles focused on specific industries. If you should come across articles of interest to other members, please submit a reference to us and we can then we can distribute this information to the whole network.

As the Forum grows, and member companies explore new business opportunities in China, the benefits of the database will expand. Navigating a company through the Chinese market is no simple task, but with companies facing similar challenges willing to assist you, it certainly becomes more manageable. So please, for your company's sake, make good use of the database!

Tom Jensen
Secretary General, DCBF



Strategic IP Management in China – 5 Things Danish Companies should Consider

IP Management has proved to be one of the greatest challenges to foreign firms in China. However, it can be effectively enforced if sufficient preparation, registered rights and calibrated remedial actions are in place.

IP strategists appear about evenly split between those who mourn the death of IP in China, and those evangelising its re-birth. What is it with IP and China, and how can you (in reading the following 3 pages) adapt your IP strategy so as to increase the likelihood of finding yourself in the latter group? While there are no 'magic bullets', by taking a common sense approach and observing the following points, you can put yourself in a better IP position in China. While this mini check-list does not claim to be exhaustive it may put you on the rights track.

1. Getting a good IP position

You must adapt your IP protection and filing strategy for China to take account of the fact that registered rights are essential (provisions of the laws against 'unfair competition' are only marginally effective) and that 'defensive' filing (filing with a focus on what others may wish to take, rather than on what you wish to use) may be necessary:

- Always search published and (where possible) unpublished filings to disclose possible 'bad faith' applications or registrations of (your) rights;
- Remember that the China Trade Mark Office uses 'sub-classes' of the international Nice classification system for trade mark filing – these should be observed in your trade mark filings.
- Consider registering packaging, labelling and product get-up as trade marks or registered designs.
- Should you be adapting a Chinese brand? Perhaps ..., but especially if you are targeting the local Chinese market and consumers.
- When should you file under the international filing system, and when should you file a local application in China?
- In order to effectively enforce international trade marks covering China, 'localisation' is essential.
- While the IP ownership position between employer and employee may be clear in Denmark, in China it makes sense to document the position from the outset in an appropriate assignment.
- Although not mandatory, registration of copyright is likely to make enforcement easier.

2. Doing your homework

When setting up in China, apart from the obvious commercial considerations, investigate and consider:

- How easy or difficult is it to enforce your rights where you are setting up? Setting up in geographic area where there is a high density of infringement, may make enforcement difficult.
- How good is the track record and experience of local enforcement authorities vis-à-vis IP infringements? Generally the authorities in major cities will have more exposure to IP disputes and issues (and thus higher expertise) than those in smaller cities.

And, when evaluating a local partner, consider:

- How intensively must the partner be monitored? Have they had relevant commercial / licensing arrangements previously and how did they perform on their IP obligations? Are there any references?
- If only limited information is publicly available or provided by the local partner, is it worth investigating the local partner before entering into commercial arrangements?

So, are you making it easy for a 'potential' infringer?

- Are you tracking past business partners and any potential business partners who may have produced samples (especially if such potential partners were not selected)? Many infringements originate from prior relationship or contact between the rights holder and the infringer.
- Are you sufficiently tying / motivating key employees in China to ensure they do not go to, or become competitors? Skilled members of the Chinese workforce are very mobile, and substantial IP is 'released' when employees depart.
- Is all confidential and sensitive information sufficiently identified as such, and does it make sense to keep a 'log' of disclosures of sensitive information to business partners, or employees in China?
- Consider: is it really necessary to disclose the entire plans to suppliers where they may only supply a part or module of a product? So much as is essential to disclose, should possibly be kept in a restricted environment.

3. Good contracts & other preventative measures

If you are doing business in China, contracts form an excellent 'relationship manual', it is thus essential to invest thought in them:

- Spend twice as much time on provisions specifying what happens after the end of the relationship (whether through termination or expiry) as the obligations to be performed during the term.
- Put beyond doubt what happens with IP (including improvements and jointly created) during and after the relationship.
- Who owns tooling; where is production to occur (exact location of premises and identity of production equipment)?
- Should sub-contracting be permitted, and if so, under what circumstances? There is a strong tendency for sub-contracting in China – many customers are unaware of this.
- What is to happen with sub-standard and/or surplus stock? How is it to be accounted for, and disposed of?
- Why and in what situations does it make sense to include clauses in agreements permitting the periodic audit of production premises and equipment?
- Should Chinese law or foreign law apply? While there will be a natural affinity to your local (say Danish) law, your choice of law and jurisdiction should be influenced by where you will seek to enforce the agreement – it is no use to specify Danish law and jurisdiction if you will have to, for example, seek injunctive relief for breach in a Chinese court.

4. Early warning of 'troubles' to come:

- You should set up business structures (for example, reporting lines and forms) which facilitate early recognition and prompt reporting of infringement / counterfeit sightings.
- Customs records of appropriate IP rights (most effective for trade marks and registered designs), combined with relevant Customs training and support can provide an effective indicator for the level of infringing exports – remember, China checks export goods as well as import goods!
- Should you be conducting regular audits of ongoing commercial relationships to keep contract partners honest?

5. The 'how', 'when', 'where' and 'why' of enforcement?

Before you invest money in China IP enforcement:

- Familiarise yourself with enforcement methods available in China – for example, over 85% of all trade mark enforcement in China occurs via administrative authorities. You should choose the most appropriate method depending on the type of rights you are defending and the relief or redress you are seeking.
- Enforcement is often a question of timing – getting to grips with the problem before it spirals out of control. However in individual cases it may make sense to wait until the entire network of infringement has been disclosed, or in order to cease the maximum level of infringing products.
- Invest time in selecting the location of your IP battle-field. In the case of administrative enforcement, the choice of jurisdiction may be more limited (and less favourable) than if civil litigation is pursued (where there is usually more scope to influence the choice of venue).
- You should always ensure your reasons for enforcement are clear – for example, if compensation is a 'must', only civil litigation will provide this remedy; administrative enforcement only providing penalties.

Conclusion

IP can be effectively enforced in China; this does, however, require some forethought, preparation, registered rights, and most importantly a 'recalibration' of your expectations of remedies and achievable results.

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Elliot is a Solicitor (England & Wales), an Attorney-at-Law (NY), and a Barrister & Solicitor (Victoria). He advises from Rouse & Co.'s Beijing and Shanghai offices leading international companies on contentious and non-contentious intellectual property issues, with a special focus on enforcement of IP rights in China. Elliot has managed a range of trade mark, copyright and patent litigation cases in China, particularly for European clients in the fast moving consumer goods sector. He has also been involved in a wide variety of administrative enforcement and Customs related assignments.



Executive China Tax-Update

The intricate tax system in China has recently been updated by the authorities. Areas concerning VAT Refund Rate Circular, Individual Self-reporting Requirements and Capital Gains Exemption Protocols have received amendments.

New VAT Refund Rate Circular

Unlike in global VAT practice, China uses the VAT refund to channel its export volume. In this regard, several ministries including the Ministry of Finance and the State Administration of Taxation jointly issued a new circular effective September 15, 2006 ("Circular 139").

According to Circular 139, Chinese export companies are not eligible for an Export VAT refund on certain products including all non-metallic mineral products (with exception to salt and cement), metallic ceramic, 25 kinds of agricultural chemicals and cashmere. For complete details, please check the Import and Export Tariff Guide.

The export VAT refund rates for the following products have also been revised. The following table is for illustrative purposes only since the specific rate depends on a particular product's customs HS code:

Items	Existing VAT Refund Rate	New VAT Refund Rate
Steel Products	11%	8%
Ceramics, certain finished leather products, cement and glass products	13%	8% or 11%
Certain non-ferrous metal materials	13%	5%, 8% or 11%
Textile, furniture, plastic, lighter and certain wood products	13%	11%
Non-mechanical propelled vehicles (push-carts) and parts	17%	13%
Major technology equipment, certain IT products, biomedical products, and certain high-tech products encouraged by state industrial policies	13%	17%
Certain products processed using primary agricultural materials	5% or 11%	13%

The gap between the input VAT (generally 17%) and the refund rate is an additional cost. Therefore, Circular 139 may directly impact Chinese exports. Whether the new rates are beneficial or adverse depends on the nature of the goods.

Self-reporting Requirements for Certain Individuals in People's Republic of China ("PRC")

Earlier this year, an amendment to the PRC Individual Income Tax ("IIT") law stipulated a duty for certain groups of IIT payers to self-report IIT. On November 6, the State Administration of Taxation ("SAT") issued "Circular 162", namely <Trial Measures for Individual Income Tax Self

According to Articles 2 and 3 of Circular 162, the self-reporting duty applies in four circumstances where:

Category 1: An individual derives an annual income greater than RMB 120,000 (approximately 86,000 DKK);

Category 2: An individual derives wages or salary from two or more sources within China;

Category 3: An individual derives income from outside China; or

Category 4: An individual derives taxable income but does not have a withholding agent.

The Circular allows only limited exemptions. For example, category 1 and 3 do not apply to individuals "staying in China for less than one full year". To qualify accordingly, the individual needs to be absent from China for either 30 consecutive days or for more than 90 cumulative days.

Reporting Deadlines

Reporting deadlines vary according to the categories stated above. The income from category 1 should be reported no later than March 31 of the subsequent year. Since the self-reporting requirement came into effect January 2006, the first IIT reporting should be completed by March 31, 2007.

Individuals deriving income under category 3 must file their reporting within 30 days after the end of the tax year.

For individuals deriving income under category 2 or 4, the reporting deadline is within seven days after the month's end.

Income to be Reported

Circular 162 stipulates 11 categories of taxable income to be reported. These among others include wages and salaries, income from production or business operations, remuneration for labour services as well as interest, dividends, royalties and income from the lease or sale of property.

The following types of income appear to be excluded from the reporting duty:

1. Nine income items specifically exempted from IIT under the IIT law including interest income from State bonds;
2. Income sourced from outside China derived by an individual who has stayed in China for more than one full year but less than five full years; and
3. Basic pension, medical insurances, unemployment fund and residential funds contributed by employer and employee in China which fall under relevant PRC employee welfare regulations

However, the circular is not specific and it leaves room for interpretation. For example, it is not clear whether expatriates residing in China for more than one year but for less than five and whose worldwide income is PRC IIT exempt, are required to report their overseas non-employment income. Such income may include personal non-employment income sourced from overseas, for e.g. dividends and interest. Further clarification on this point is necessary.

New Protocol to the PR China – Mauritius Double Tax Treaty

Due to its general capital gains tax exemption and a reduced dividend withholding tax provision, Mauritius used to be a common intermediary holding-company jurisdiction for multinationals invested in China. The advantages were based on the 1994 China-Mauritius Tax Treaty, which was amended and the treaty protocol was signed by both countries on September 5, 2006. In addition to the exchange of information, the protocol stipulates another major amendment:

The capital gains taxation scope is reduced to investments with a participation of less than 25% in total: "Gains derived by a resident of a Contracting State (e.g. Mauritius) from the alienation of shares, participation, or other rights in the capital of a company which is a resident of the other Contracting State (China), may be taxed in the other Contracting State (China) if the recipient of the gain, during the 12-month period preceding such alienation, had a participation, directly or indirectly, of at least 25% in the capital of the company".

This amendment will have impact on the existing structures and possible alternatives should be reviewed.

xxxxxx

Due to the limited space available, the information contained in this document is for general guidance and interest only and is not meant to be comprehensive. The application and impact of laws can vary widely based on the specific facts involved. Obtaining advice specific to the circumstances before taking any action is strongly suggested. Please feel free to contact us:

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As a German lawyer he worked for more than three years in our Cologne office. After having passed the exam as a Certified Tax Advisor (Steuerberater) in 2004 he joined the Asian Tax Desk of PwC in Dusseldorf.

As member and coordinator of the European Tax Desk in Shanghai he acts as the link between the European headquartered clients of all sizes and the local professionals.



Guangzhou Design Week – November 2006 Scandinavian design gets a sharp profile in China

DCBF member Scandinavian Branding was chosen as strategic partner for Guangzhou Design Week by Guangzhou Municipality.

The Pearl River Delta region with a population of about 11 million now wants to start focusing on design.

In November the first design week ever was held in Guangzhou. Guangzhou Municipality was the official organizer together with a number of design organizations, design schools and other design related organizations.

Scandinavian Branding (which is a member of DCBF) was chosen as strategic partner for Guangzhou Design Week by Guangzhou Municipality. Scandinavian Branding has developed logos and identity programs for a number of major Danish companies and it is this expertise that resulted in the invitation from the city of Guangzhou.

In 2002, ninety of Scandinavian Branding's identity programs were exhibited on China's first international design festival in Qingdao. This led to a number of assignments in China – one of them being the development of the entire identity program (including the design of the official Guangzhou Design Week logo). As Johan Adam Linneballe explains, "It is exciting to work in a country where language and symbolism differ so much from our own. But we have actually managed to come up with something that works not only in China but also outside. The Chinese are facing a very big challenge: To be able to internationalize their design and this is where we have a role to play."

Jens Alsbrink, the Danish Consul General in Guangzhou says, "It is really impressive that Scandinavian Branding got this assignment, and there is no doubt that China could become a very important market for Danish design in the years to come as the Chinese really like Scandinavian design". The middle class is growing at a dazzling rate (there are already a large number of 250,000 dollar millionaires in China).

For Scandinavian Branding, the good relations with the Guangdong province offer the possibility of partnership in future activities. Before the Guangzhou Design Week, Johan Adam Linneballe was invited to attend a number of meetings and press conferences with the vice-mayor and civil servants from the municipality and representatives from GAFA (Guangzhou Academy of Fine Arts).

Denmark and Danish design were very visible during the Guangzhou Design Week. Not only was Scandinavian Branding strategic partner for the event but they have also organised a special "Danish Session" where Danish design was in focus.

For further information you can visit www.gzdesignweek.com

After Johan Adam Linneballe returned from China, we had a meeting here at DCBF where we were given a briefing. The Design Week went very well and for Johan Adam Linneballe personally it was really successful, as he got many excellent contacts. There is no doubt that there is great scope for developing The Guangzhou Design Week and this could be a great opportunity for Danish companies working within the areas of design, industrial design and architecture. Johan Adam Linneballe would like to hear from you if your company is working within these areas.



Flügger's Networking in China

Interview with Villy Jessen, Sales Director of Flügger Group The Flügger Group is one of Scandinavia's biggest producers and distributors of paint and paint equipment. With approximately 1,100 employees, Flügger is listed on the Copenhagen Stock Exchange and has a subsidiary in Shanghai that sells paint-related products to other companies.

- Before we became part of the Danish Chinese Business Forum last summer, we were somewhat sceptical of joining because of the membership fee which we thought was quite high. We didn't know exactly what we would get for the money, but we needed contacts on the Chinese market and became convinced that joining would be a good idea. It has proven to be a great way of establishing the contacts that our company needs, as we have been put into touch with other Danish companies with valuable experience in China. We have also been active in the events organized by DCBF in the past few months, at the headquarters of Foss, Zacco, and Copenhagen Fur, among others.

Our main challenge at the moment is finding the right contacts, both private and governmental, to assist us in starting production of paint in China, and expanding our network of companies to collaborate with. We already have a subsidiary in Shanghai that deals with business to business sales, sourcing, and exports. The next step is to find a location for producing paint in China, and to communicate with other companies in the construction business for collaboration on projects.

Another asset that we see as essential for success in China, is access to business cases and other information about the failures and progresses of other companies. This was also a reason for our joining the Forum. We believe in sharing Flügger's experiences with the rest of the network, and in getting information from companies facing similar challenges in return.

Villy Jessen

Sales Director, Flügger Group

Emerging Leaders Scholarship Program at Copenhagen Business School

The Emerging Leaders Scholarship Program has been developed by the Ministry of Foreign Affairs of Denmark. Danish companies are invited to nominate two candidates to join the one-year full-time MBA at Copenhagen Business School (CBS).

To enhance the international position of Danish business and support their development of young management talents in emerging economies, the Emerging Leaders Scholarship Program has been developed by the Ministry of Foreign Affairs of Denmark, a program that also includes China.

Two for the Price of One!

Under this scholarship program, Danish companies are invited to nominate two candidates to join the one-year full-time MBA at [Copenhagen Business School \(CBS\)](#) . One of the candidates is expected to be employed in your subsidiary in China. The other candidate is expected to be from your local Chinese business network. If you invest in one of them, Danida will come up with the same amount that matches your contribution.

As the only full-time MBA program in Denmark, the MBA Program at Copenhagen Business School (CBS) offers a strong business perspective with a general management orientation and a focus on Scandinavian leadership. Currently the program features 80% international participants from 19 different countries.

For more information, please contact *Anne Mette Dissing-Immerkær*, Executive Director CBS Executive, Copenhagen Business School; email: amdi.executive@cbs.dk or tel. 3815 3434.

Visits to DCBF Website quadrupled in 2006

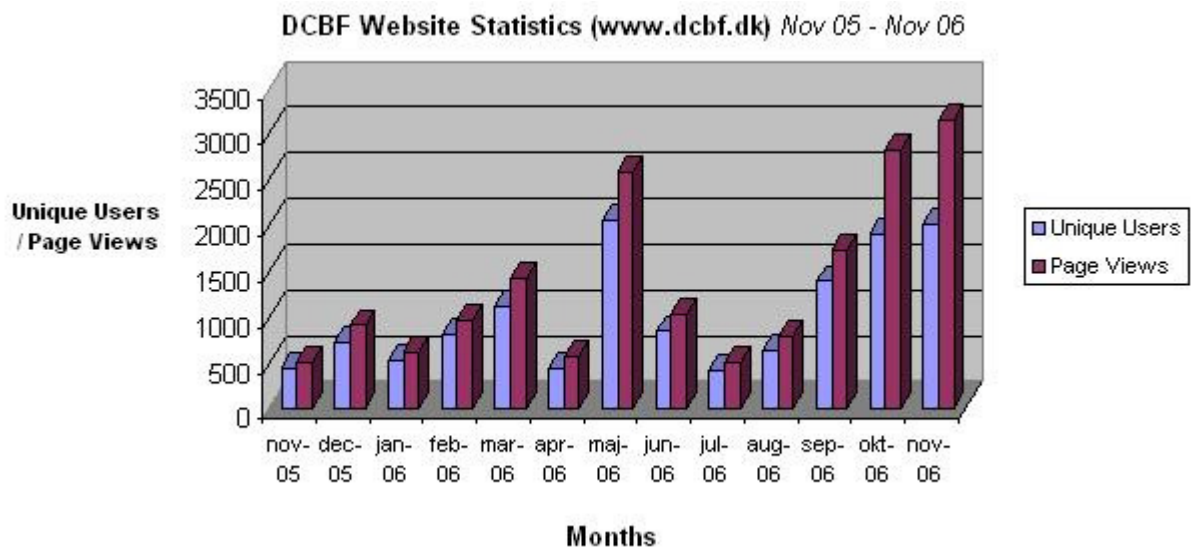
A viewer statistics report on DCBF website shows a big increase in the number of visits to our website.

Danish-Chinese Business Forum's website www.dcbf.dk has on average 1022 unique users and 1352 pages viewed every month.

Our top referrer is Google, with 236 references in November to www.dcbf.dk. The most visited pages on www.dcbf.dk are:

1. Main Page;
2. News from DCBF;
3. DCBF Members/Founders;
4. Calendar/Events.

Below you can see how visits to our website has increased over the year:



Learn Chinese at ChinesePod.com

The website www.chinesepod.com offers free lessons in spoken mandarin for beginner's level to intermediate level.



When you're in a meeting or at a business dinner in China, it's always good to know a few phrases in Mandarin, for the sake of politeness, or even, if you get good, to impress your hosts. Learning a few sentences in Chinese isn't as difficult as many westerners think, and your Chinese business partners and friends will usually be very encouraging, even when you don't get the tones right!

The website www.chinesepod.com offers free lessons in spoken mandarin for beginner's level to intermediate level. The vocabulary is focused on topics and situations that most foreigners will encounter in China, whether it's a formal dinner, shopping, or asking for help. You can either download individual lessons, or get one sent to your iTunes or Google account for free everyday- a so-called podcast subscription. If your Chinese passes a certain level, you can get additional language-learning tools for a small fee. Maybe your level of ambition isn't that high, but we still recommend learning some basics, even if it's just a sentence or two.

Quick News

A brief overview of interesting news from China. If you are unable to access the full article please contact DCBF. To view the full article please contact info@dcbf.dk for relevant links.

Exchange Rate:

- **Renminbi Hits Record High**

China's currency rose to a new high Thursday as American and Chinese officials tackled thorny trade issues in Beijing, hitting 7.8180 per U.S. dollar in early trading.

Source: [GOV.cn](#), December 15., 2006

Investment:

- **China to Promote Mergers and Acquisitions of Listed Companies**

China will take measures in 2007 to create a favorable environment for listed companies to carry out mergers and acquisitions, Shang Fulin, chairman of the [China Securities Regulatory Commission](#) (CSRC), said at a forum Thursday.

Source: [GOV.cn](#), December 15., 2006

- **China Mulls New Policy to Encourage Foreign Investment in R&D**

China will encourage more foreign enterprises to set up research and development (R&D) institutes in China, Sun Peng, deputy director of the foreign investment department of the Chinese [Ministry of Commerce](#) said in [Beijing](#) on Thursday.

Source: [GOV.cn](#), December 14., 2006

Real Estate:

- **China's Real Estate Investment Surges 24 Percent in First 11 Months of 2006**

Investment in China's real estate sector rose 24 percent from a year ago in the first 11 months, reaching 1,641.6 billion yuan (210.5 billion US dollars), the [National Bureau of Statistics](#) (NBS) reported Friday.

Investment growth is marginally down on the 24.1 percent recorded in the first 10 months and 24.3 percent for the first nine months.

Source: [GOV.cn](#), December 15., 2006

Banking:

- **RMB Banking Deposits Continue to Slow Down**

China has been experiencing a high saving rate and the government has urged people to spend more and save less in order to curb soaring investment.

Source: [GOV.cn](#), December 14., 2006

- **Chinese Weigh Pros and Cons of 5 Years into WTO**

China marked five years of World Trade Organization (WTO) membership December 11. with new regulations opening the financial sector to foreign banks coming into effect, while business people and economists counted the pros and cons of freer trade.

Source: [GOV.cn](#), December 11., 2006

Small- and Medium-Sized Enterprises:

- **China Launches Association for SMEs**

China set up an association for small and medium-sized enterprises (SMEs) on Monday to promote their development.

Source: [GOV.cn](#), December 11., 2006

Intellectual Property Rights:

- **Copyright Alliance Formed to Fight Piracy**

On Monday, December 11., Chinese companies formed a copyright alliance to protect their copyrights and fight against piracy.

Source: [GOV.cn](#), December 11., 2006

Emerging Industries:

- **Creative Industry New Economic Engine in Beijing**

China's capital believes the creative industry will become a new locomotive of the municipal economy in the 2006-2010 period, sources with the local statistics bureau said on Thursday.

Source: [GOV.cn](#), December 15., 2006