

WORLD: VP MEETS NORTH KOREA'S KIM P.18 | BUSINESS: H2 ECONOMIC AGENDA P.34

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CAN THIS CHINESE APP GO GLOBAL?

WeChat plans to take on the world

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WeChat mobile IM faces off against overseas rivals



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EDITOR

Beyond Borders

Today, a growing number of mobile phone users in China are using WeChat, a free and easy-to-use application through which they can send voice messages, pictures, video clips, and text to other users.

Developed by Tencent Holdings Ltd., a hi-tech firm headquartered in Shenzhen in south China's Guangdong Province, WeChat gained immediate popularity among the users across China. According to the company, the total number of registered WeChat users had exceeded 400 million by the end of June, only two and half years since it was first launched.

WeChat boasts an array of superior qualities over some other messaging apps. For one, it has been supported by a handful of operating systems, ranging from iPhone and Android to Windows Phone and Symbian, as well as BlackBerry, making it a practical and effective tool for communication and social networking. Moreover, it has also allowed room for businesses to interact with consumers. This is expected to endow WeChat with great commercial value and more novel business possibilities.

While attaining tremendous success at home, Tencent has made inroads in the global marketplace and reportedly has more than 70 million users in over 100 countries across Asia, Europe, and the Americas.

In recent years, Tencent has made a number of acquisitions and other strategic moves abroad, including opening an R&D center in the United States in March. But the tougher question is: Will it be able to compete squarely with its rivals like America's WhatsApp and Japan's Line? Some local industry insiders argue that although WeChat may in fact be a superior product, the battle to acquire more users, particularly in Western countries, won't be easy because governments may see WeChat as a threat to their national security, an accusation some Chinese companies are all too familiar with. Nevertheless, WeChat is well situated to expand well beyond China, something necessary for Chinese companies to mature and compete head on in the battle for global consumers. In this sense, WeChat may just be the first product that gives "Made-in-China" a whole new meaning. ■

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Available on App Store



HEAT WAVE HAVOC

Pedestrians walk along a street on July 31 in Hangzhou, east China's Zhejiang Province, using various means to resist blazing sunlight. Hangzhou Meteorological Observatory has released consecutive warnings as local temperatures hit a high of 38 degrees Celsius that day. This summer, many cities around China are suffering sweltering heat waves, predicted to persist until mid-August.

Parched

A farmer pulls an ox to drink in a dried pool in Qianguang Village, Yuping County in southwest China's Guizhou Province, on July 29.

Due to little rainfall and high temperature, lingering droughts have affected more than 12 million people in 38 counties in Guizhou. More than 2 million people lack adequate supplies of drinking water, and a total of 847,300 hectares of farmland are damaged.



Poisoner on Trial

A court in north China's Hebei Province on July 30 opened a trial for a man who allegedly added poison to frozen dumplings that sickened 10 people in Japan in 2008.

In January 2008, Japanese media reported that 10 people fell ill after consuming frozen meat dumplings produced by the Tianyang Food Plant based in Shijiazhuang, capital of Hebei.

The plant was investigated by both Chinese and Japanese authorities shortly after the incident, but no

problems were found.

In March 2010, suspect Lyu Yueting was detained by Chinese police. Lyu worked in the factory between April 1993 and October 2009.

Lyu confessed to injecting pesticide into frozen dumplings between October and December 2007 because he was dissatisfied with his salary and did not get along with some of his co-workers, the procuratorate said.

After a three-hour trial, the court said a verdict will be announced on a later date.

According to Chinese law, the

death penalty can be handed down to those found guilty of deploying dangerous substances if their actions cause serious injury, death or the loss of property.

No Take-off Limit

The Civil Aviation Administration of China (CAAC) has proposed a new measure to deal with serious flight delay problems at eight Chinese airports, *The Beijing News* reported on July 31.

The measure indicates that, except in the instance of bad weather and military events, these airports should not postpone their flights from taking off due to air control situations at destination airports.

The affected international

airports include Beijing Capital, Shanghai Hongqiao, Shanghai Pudong, Guangzhou Baiyun, Shenzhen Bao'an, Chengdu Shuangliu, Xi'an Xianyang and Kunming Changshui.

It is estimated that the number of flights at the eight major airports represent about half of the total flights in China.

Officials Investigated

More than 700 officials have been investigated for breach of duty related to workplace accidents in the first half of the year, the Supreme People's Procuratorate (SPP) said on July 29.

In the first half, prosecutors started investigating 467 graft cases related to workplace accidents, according to an SPP statement.

Prosecutors have finished investigating 457 officials implicated in the cases and filed charges against 443 of them, it said.

The SPP itself led investigations into three significant cases and supervised another 17 cases.

The top procuratorate asked local prosecuting agencies to step up efforts against cases of graft that could be related to workplace accidents.



REUTERS



MEMORIAL WALL

Local residents mourn relatives who died in the 1976 earthquake in Tangshan, Hebei Province, on July 28. The devastating 7.8-magnitude earthquake killed over 240,000 people



OPEN DAY

A foreign correspondent takes a photo of a soldier from an anti-aircraft brigade stationed near Xi'an of Shaanxi Province, where more than 70 journalists from over 40 media organizations visited on July 29



OWA/EMA

Greenways in Beijing

China's capital city will build over 1,000 km of greenways in the coming five years to ease air pollution, the Beijing Municipal Government announced on July 30.

Costing 3 billion yuan (\$486 million), the project will create a network of pathways connecting over 200 parks, scenic spots and historical sites in the city.

The park-like paths will offer more space for pedestrians and cyclists, who often complain about their lanes being occupied by motor vehicles during rush hours or traffic jams, thus encouraging more citizens to travel in a greener way, said Xiao Huili, an official with the Beijing Municipal Development and Reform Commission.

The greenways will also serve to improve the environment and help alleviate the choking smog that has plagued the megacity that is home to over 20 million people.

Construction is expected to start this year in the city proper and will

later expand to the suburbs, Xiao said.

Healthcare Survey

The National Health and Family Planning Commission said on July 29 it will survey medical service facilities in September.

The survey, the fifth of its kind to be conducted since 1993, is intended to help the government learn about local medical service conditions, demand in the medical sector and the distribution of medical service resources.

The survey will be conducted from September 1 to 25, covering 300,000 people nationwide, according to the commission.

As part of the survey, medical workers will fill out questionnaires in order to collect information on their working conditions and their feelings toward their jobs.

Teeth From Stem Cells

Chinese scientists have successfully grown tooth-like structures from induced pluripotent stem cells (iPSC), the Chinese Academy of Sciences (CAS) said.

The structures were found to possess physical properties, such as elasticity and hardness, that are similar to those found in regular human teeth, according to a statement issued by CAS on July 30.

Scientists differentiated stem cells derived from human urine and then recombined them with dental connective tissues isolated from mouse embryos, according to the statement.

The recombinant was later transplanted to mouse bodies and tooth-like structures were recovered within three weeks, it said.

The tooth-like structures have the same features as human teeth, including dental enamel, dentin,

dental pulp and cementum, the statement said.

The research results demonstrate that the urine iPSC technique can be used to regenerate patient-specific dental tissues or even teeth and may be further developed for drug screening or clinical regenerative therapies, said Pei Duanqing, a researcher at the CAS's Guangzhou Institute of Biomedicine and Health.

Like embryonic stem cells, iPSC can develop into any cell in the human body.

Panda Channel

From August 1, Internet users around the world will be able to watch live round-the-clock broadcasts of giant pandas living in southwest China's Sichuan Province, the Chengdu Research Base of Giant Panda Breeding announced on July 28.

Twenty-eight high definition video cameras have been installed in the base to record the daily activities of more than 80 giant pandas living there, said sources with the base.

Visitors to the Giant Panda Channel, or panda.com, can choose from six feeds, including "garden for adult pandas," "kindergarten," "nursery for twins," "mother and child playground," "No.1 Villa" and "Featured," according to their own preference, 24 hours every day.

The website started posting video clips on June 24 as a test and has since attracted nearly 15,000 Internet users to visit and leave comments.

Highest County

A new county established on July 26 in southwest China's Tibet Autonomous Region has become the world's highest county-level administrative unit.

With an average elevation of

5,000 meters, Shuanghu County is located in Nagqu Prefecture and was previously administered by Nyima County. Shuanghu, meaning "two lakes," is named for lakes Kamru and Racho in its jurisdiction.



JANG ZHAOMING

Powerful Transmission Line

A staff member checks a 50-meter-high electricity transmission line in Changxing County, east China's Zhejiang Province, on July 31, a day before the line was put on a test run.

Upon its completion, it will transmit 50 billion kwh of electricity each year from neighboring Anhui Province to Zhejiang Province and Shanghai.



FTA Talks

China, Japan and South Korea started their second round of trilateral talks on a free trade agreement (FTA) in Shanghai from July 30 to August 2.

The talks covered the cargo and services trade, customs procedures, trade remedies, intellectual property rights and e-commerce.

The three countries have seen increasingly close economic and trade relations, said Yu Jianhua, a representative for China's international trade negotiation.

In 2012, the three countries'

combined GDP totaled \$15 trillion, accounting for about 20 percent of the world's total and 70 percent of Asia's total. In 2012, bilateral trade between China and Japan exceeded \$329 billion, while China-South Korea trade surpassed \$256 billion.

The first round of trilateral talks was held in March in Seoul. The third round will be held in Japan at the end of 2013.

Liquidity Injection

The People's Bank of China, the country's central bank, injected 17 billion yuan (\$2.77 billion) into

money markets on July 30 through seven-day reverse bond repurchase agreements, the first such move in five months, to ease concerns over a credit crunch that pushed benchmark interbank lending rates to four-week highs.

Analysts said that although the volume of the operation was limited, it sent a signal to money markets.

Liquidity eased on July 30 in response to the central bank's money injection. The seven-day Shanghai interbank offered rate, a gauge of the availability of cash in the banking system, fell 8.5 basis points to 4.97 percent, according to a weighted average compiled by the

National Interbank Funding Center. Stocks rose on July 30 after the central bank's liquidity injection, with the benchmark Shanghai Composite Index climbing for the first time in five days as it added 0.7 percent to close at 1,990.38.

Green Investment

China's investment in renewable energy during the 12th Five-Year Plan period (2011-15) will reach 1.8 trillion yuan (\$294 billion) in addition to 2.3 trillion yuan (\$375 billion) on energy-saving and emission reduction.

"China has carried out a series of policies to cope with climate change and we have achieved some success after several years of effort," said Xie Zhenhua, Vice Minister of the National Development and Reform Commission, during the Caring for Climate China Summit held by the Global Compact Network China.

From 2006 to 2012, China's energy consumption per unit of the GDP was reduced by 23.6 percent, which equals a reduction of 1.8 billion metric tons of carbon emissions, according to Xie.

However, he admitted China's



TIGER CONSERVATION

The International Workshop for Transboundary Conservation of Tigers and Other Endangered Species and the Strategy to Combat Illegal Trade in Wildlife is hosted by the State Forestry Administration in Kunming, Yunnan Province, on July 29, International Tiger Day



RICE FIELD ON THE ROOF

A wine company in Liuzhou, Guangxi Zhuang Autonomous Region plants rice on a building roof to lower the temperature of the workshop beneath



U HANCHI

economic development depends heavily on high-energy consumption and produces high emissions, and that the country's emission per capita is higher than the global average.

"China will continue to make great effort to reduce emissions, improve air quality and accelerate sustainable economic development," Xie said.

Thriving E-commerce

Online shopping is no longer exclusively for city dwellers, as residents of smaller locales are now spending more money buying goods on the Internet.

People living in counties and townships each spent an average of 5,628 yuan (\$911) online in 2012, almost 1,000 yuan (\$163) more than their urban counterparts, according to a report released on June 29 by Taobao, China's leading online shopping site.

The report showed that county and township residents placed an average of 54 orders each on

Taobao in 2012, far more than the 39 orders placed by e-shoppers living in China's first- and second-tier cities.

Though with generally lower incomes, residents in small towns and counties tend to have similar online spending habits as their urban counterparts, according to a report released in March by McKinsey Global Institute.

The McKinsey report said that for every 100 yuan (\$16.31) spent online, 57 yuan (\$9.30) is spent by people in third- and fourth-tier cities, greater than the national average of 39 yuan (\$6.36).

Revenues Slow

The Ministry of Finance announced on July 29 that China's tax revenues, a major source of the government's fiscal income, grew at a slower pace

in the first half of 2013.

During the January-June period, the government collected tax revenue totaling 5.93 trillion yuan (\$961 billion), up 7.9 percent year on year, but slower than the 9.8-percent increase seen in the same period of last year.

China's fiscal revenue growth faltered on the back of a continuous economic slowdown and the country's structural tax reforms, including a pilot program to reduce Chinese companies' tax burden by replacing the turnover tax with a value-added tax (VAT), a type of tax levied on the difference between a commodity's retail price and production cost.

The revenue from the VAT increased 6.6 percent to 1.43 trillion yuan (\$233 billion), down 1.5 percentage points from the growth in the first half of 2012.

Numbers

704.3 bln yuan

Total loan balance of China's 7,086 small-credit companies at the end of June

18.2%

Year-on-year growth in net profits of China's 113 central state-owned enterprises between January and June

34.8%

Growth in trade volume between the Chinese mainland and Taiwan in the first half of 2013

Not So Lucrative

Staff load crude steel for export in Ganyu Port, east China's Jiangsu Province.

China's iron and steel output increased 7.4 percent in the first half of 2013 to a record high, but the profit margin was only 0.13 percent.



SI

66.9 bln yuan

Amount of money that the Central Government has allocated to fund major road projects

THIS WEEK WORLD



PAKISTAN

Pakistani Prime Minister Nawaz Sharif (left) shakes hands with President-elect Mamnoon Hussain, a member from the ruling Pakistan Muslim League-Nawaz, in Islamabad on July 30



SPAIN

Rescuers check a carriage at the site of an accident near Santiago de Compostela on July 25. A train hurtled off the tracks the day before in northwest Spain, killing at least 77 passengers and injuring more than 140



INDONESIA

People prepare to fly traditional kites during a festival to promote tourism in Denpasar in Bali on July 28





BRITAIN

Participants warm up ahead of the Sumo Run, an annual 5-km charity event, in London on July 28



EGYPT

Supporters of ousted President Mohamed Morsi carry his portrait as they demonstrate in Cairo on July 26



THAILAND

Royal Thai Navy personnel clean up a beach contaminated by oil leaks on the resort island of Ko Samet on July 30

“Some foreign brands are high in price, but inferior in quality.”

Qiu Baochang, head of the legal team at China Consumers' Association, on July 28. Nearly two thirds of the complaints the association received about baby formula in the first half of the year regarded foreign brands



“I would say the most important reason good Chinese scientists choose to stay in the United States is because of the scientific culture (in which) they have bigger freedom to pursue research of their choice.”

Joseph Jen, former undersecretary for research, education and economics for the U.S. Department of Agriculture, on July 28, in response to a *People's Daily* report in June that said China is experiencing the world's worst brain drain



“It's definitely inappropriate to let individuals run the websites for adoption services, but they exist because the government fails to step in.”

Tong Xiaojun, an adviser for Save the Children China Program, a non-governmental organization focusing on children's rights and welfare, in response to an online adoption website created in 2007, which has helped about 300,000 families with fertility issues adopt children



“Chinese cities, including Beijing, have not established a system that can provide solid services for individual tourists.”

Zhang Hui, a tourism management professor at Beijing Jiaotong University, in response to the capital's declining number of visitors in the first half of the year, on July 30



GOLD MEDAL DIVER



Chinese diver He Chong won gold in the men's 3-meter synchronized springboard event, alongside Qin Kai on July 23 as well as in the men's 3-meter springboard on July 26 at the 15th FINA World Championships in Barcelona, Spain. He has claimed the title three consecutive times, the second person in history to achieve such a feat.

Born in Guangdong Province in 1987, He started practicing diving at the age of 6. The diver won gold in the men's 3-meter springboard event at the 2008 Beijing Olympic Games, 13th FINA World Championships in Rome during 2009 and 2010 FINA Diving World Cup in China to achieve a grand slam.



FILM FESTIVAL JURY



Director and actor Jiang Wen was appointed a member of the jury at the 70th Venice Film Festival, which runs from August 28 to September 7, becoming the only Chinese on the judging panel. A restored version of Jiang's first directorial film *In the Heat of the Sun* shot in 1994, which won the Best Actor prize at the 51st Venice Film Festival for its young leading player Xia Yu, will be shown at the festival.

The director is one of the most important filmmakers in China today. His second directorial effort, *Devils on the Doorstep* took the Grand Prix at the 2000 Cannes Film Festival. His more recent works include *The Sun Also Rises* in 2007 and *Let the Bullets Fly* in 2011.



Shedding Exhaustion

Lifeweek
July 22

Many people are now suffering from professional burnout. This condition will inevitably harm people's physical and psychological health and bring about serious social consequences.

In simple words, professional burnout relates to emotional and physical exhaustion caused by mounting work and frustration.

According to a report on professional burnout in China released by China Human Resources Development Network in 2004, at least 40 percent of those surveyed suffer from professional burnout. In striking contrast to this high percentage, there are only

around 400 certificated psychotherapists in China. Most people regard professional burnout as a private problem caused by low work efficiency and weak willpower and won't share the heavy psychological burden with family members, colleagues or psychotherapists for as long as they can bear it.

Gaby Cora, a well-known psychologist majoring in career psychology, suggests that to get rid of this disease, people should first exercise at least 30 minutes every day and develop healthy hobbies. They should keep themselves off from work when having dinner or on vacation, while sometimes they can turn off mobile phones as well as stop refreshing e-mails. And they should deal with their work in the order of urgency and avoid doing multiple tasks simultaneously. In addition, people should not be ashamed of turning to professional psychotherapists for help.

Environmental Law

Xinhua Daily Telegraph
July 30

Recently, the draft of an amendment to the Environmental Protection Law, which was published on August 31, 2012, launched its second round of asking for public comments. How to ensure the law to be enforced effectively becomes a hot topic.

Take wetland conservation for instance. Many experts hold that some wetland parks are not environmentally friendly. In many cases, emphasis has been put on the park over the wetlands. Park managers spend most of the money constructing tourist facilities, but utilize very little for research into and protection of wetlands.

The burning of straw stalks is another example. Because the price of straw is so low, farmers are not willing to spend gas money to take them to collection centers, and end up burning most of it. To deal with this problem, many local governments simply impose a fines. But this has never stopped such behavior.

Such fake environmental protection activities serve only short-term purposes. In the long run, it will only harm the environment.

Phony Masters

People's Daily
July 30

Qigong is a traditional Chinese system of deep breathing exercises that help adjust blood circulation. But now some frauds practice deception under the cover of being so-called "qigong masters."

Wang Lin, 61, is one such "master" in China. Over the past two decades, he has duped numerous people, including government officials,

wealthy business people and celebrities both at home and abroad.

According to an anonymous source acquainted with Wang, since the early 1990s, he has been a favorite among some local officials in his hometown in Luxi County, Jiangxi Province. He first became well-known for producing a snake from an empty basin, later self-proclaiming himself an omnipotent *qigong* master able to cure all diseases as well as predict luck. By fooling people, Wang has made a huge fortune and built a huge villa in the county.

Currently, Zou Yong, a businessman who once formally acknowledged Wang as his master, is suing the latter over a housing contract dispute that involved more than 30 million yuan (\$4.8 million). Local authorities have also kicked off an investigation into Wang regarding his alleged illegal medicine practices.

Why could Wang hoodwink so many people, even officials? How did he make so many friends? Undoubtedly, what the "master" really do is making money by fraudulent means as well as worsening social morality, while delaying the treatment of patients.

Polluted Water Processing

Caixin Magazine
July 22

In the past seven years, the Chinese Government has invested 500 billion yuan (\$81.5 billion) in processing polluted water. It appears that China's polluted water processing has achieved remarkable results, but in fact, although money has been spent, pollution remains a problem.

The reason is that China's polluted water processing lacks a key procedure—processing polluted soil left after polluted water is processed. Most heavy metals and microorganisms in polluted water remain in the soil, making it poisonous.

However, in China, 80 percent of polluted soil has not been effectively processed. *Caixin* reporters have found that even in Beijing, a large amount of polluted soil is transported to farmland on which corn, peanuts, fruit and vegetables are grown in surrounding suburbs and the neighboring Hebei Province without being properly dealt with.

The first reason behind it is high cost. The cost of processing polluted soil accounts for 70 to 80 percent of that of processing polluted water. Second, the result of processing polluted water is easily seen, while that of polluted soil processing is invisible. Some local governments are therefore unwilling to pay for invisible results.



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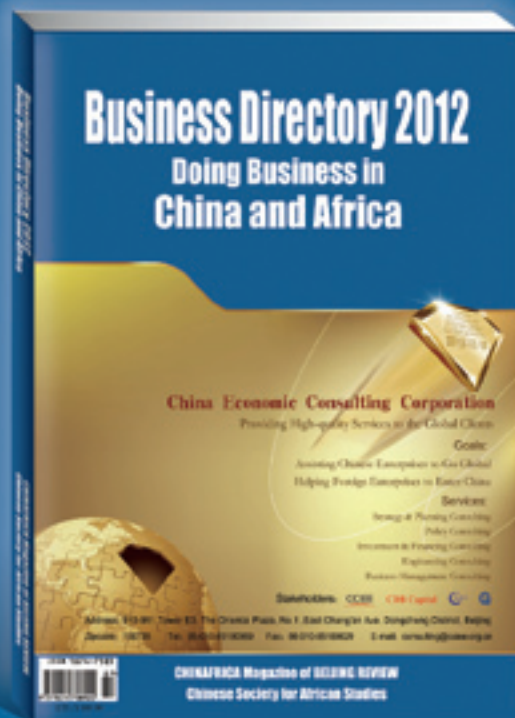
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COVER STORY

STRIVING FOR GLOB

The Chinese-made messenger app WeChat has big designs to expand in foreign markets, including the United States, but will it succeed? By Zhou Xiaoyan



AL EXPANSION



APP ON THE RISE: WeChat's logo on display inside Tencent headquarters office building in Shenzhen

Lisa Tseretzoulis, a 51-year-old office administrator living in Montreal, Canada, came across WeChat a year ago and instantly fell in love. "I like it a lot and have recommended it to family and friends."

WeChat, known as *weixin* in Chinese, is the country's most popular messaging and social media app developed by Tencent, China's biggest Internet firm. WeChat is often likened to WhatsApp, developed by a U.S. firm, and Japan's Line.

But WeChat is more than a messenger app and packs a host of other features, including a hold-to-talk function that allows users to send audio messages to other WeChat users, much like a walky-talky. It's also a social media platform to post photos and make comments, much like Facebook. Companies and celebrities can open a special account to interact with fans and build a following. NBA basketball player LeBron James has an account.

Founded in 1998 in the southern city of Shenzhen, Guangdong Province and north of Hong Kong, Tencent has over the past decade proven itself to be China's undisputed king of messaging, with its banner instant messaging service called QQ, China's largest instant messaging service with over 800 million users. With a shift in Internet usage from personal computers to smartphones and tablets, Tencent launched WeChat in 2011.

By the end of the first half of 2013, the number of WeChat users in China had exceeded 400 million, driving revenue growth from mobile traffic up by 56.8 percent, according to the Ministry of Industry and Information Technology.

Just like the impact Skype has had on landlines, the heavy use of WeChat in China now poses a challenge for telecom operators, whose revenues for text messaging—its most profitable business—fell markedly, leading to a debate over whether or not to charge a user fee for the application. The attempt by telecom operators to pressure WeChat to charge for the service was roundly condemned by Chinese netizens and others who called on the phone companies to leave WeChat alone and develop

their own products to compete. So far, Tencent has no plans to charge users for the popular app but says it will cooperate with China's big telecom players in other ways.

WeChat is already a huge domestic success and is used by everyone from teenagers to their parents to their grandparents. But Tencent is not satisfied with success in the home market and is branching out globally tooth-and-nail. Roadblocks, however, remain.

One world, one chat

With an eye on the international market, WeChat is now available in 18 languages, including English, Indonesian, Spanish, Portuguese, Thai, Vietnamese and Russian. The app can be used on almost all mainstream mobile phone systems thanks to a first-class research and development team at Tencent. WeChat is growing quickly in overseas markets. Tencent announced on July 3 that WeChat has accrued over 70 million registered overseas users, a sharp jump from the 40 million users it claimed it had back in April.

"The software has been especially successful in Indonesia, India, Malaysia, Mexico, Singapore and the Philippines," said Martin Lau, President of Tencent, at a developer conference held in Beijing on July 3.

To further expand its user coverage, Tencent has unveiled an advertising campaign featuring internationally famed soccer star Lionel Messi to run in 15 countries, including Argentina, Brazil, India, Italy, Mexico, South Africa, Spain and Turkey.

WeChat has adopted a localization strategy when branching out by hiring celebrities as part of its marketing efforts. A much-loved feature of WeChat is a wide range of cartoon emoticons that users can send to each other, called emoji. With overseas markets in mind, WeChat has designed emoticons featuring local big names. For instance, in India, Tencent roped in popular Bollywood actors Parineeti Chopra and Varun Dhawan as brand ambassadors. Emotes featuring the two Bollywood stars caused a sensation in the country. WeChat is also working closely with businesses overseas and is cooperating with Chang, a ►►

well-known beverage company in Thailand.

WeChat's fun features coupled with Tencent's strong marketing skills have made the app popular across different markets and helped the app's popularity soar. User growth is one encouraging sign for the tech company, one of several Chinese Internet companies that have ambitions to expand their businesses abroad. "Successful or not, this is an once-in-a-lifetime opportunity for Tencent," said Ma Huateng, co-founder and Board Chairman of Tencent, speaking about Tencent's global layout.

Not easy

While boosting popularity among users outside China, WeChat is faced with competition in the



SIMPLE AND SMART:
WeChat's user interface

global mobile-chat app market from WhatsApp, Line and Kakao from South Korea.

WhatsApp announced in June it has racked up over 250 million active monthly users worldwide. Line announced on July 23 that it has amassed 200 million global users, and Kakao said in July that the number of its users has topped 95 million. The four are bound to duke it out in the global market.

WeChat has made a splash in emerging nations, especially in Southeast Asia, and has yet to gain a foothold in a large developed economy like the United States, a highly coveted market. By the end of September 2012, there were 100,000 registered WeChat users in the United States, a distant cry from the numbers WeChat



THINKING BIG: Ma Huateng, co-founder and Board Chairman of Tencent, is making a speech at the Global Mobile Internet Conference in Beijing on May 7



FIND ME IN WECHAT: Giant billboard of WeChat featuring two local celebrities hang high in a commercial district of Taipei, Taiwan

will need to make an impact beyond the limited population of Chinese-Americans and Chinese students studying there. To that end, Tencent opened an office in February to study the U.S. market and form partnerships with U.S. firms to boost the app's popularity.

In comparison with the boom in Southeast Asia, WeChat is in its nascent stages of development in the United States. WeChat faces stiff competition from Line and the Japanese company also has designs on the U.S. market. For now, it's unclear exactly how WeChat stacks up against its rivals in the battle for the United States.

"The U.S. market is a difficult and important one for any Internet company. Many first-class Internet products and companies were born there. The U.S. market is highly sought out by many foreign companies and products, and WeChat is no exception," reads a recent statement from Tencent in February.

"The United States is the most difficult market to tap in our global campaign," said Ma. "China's Internet companies lag far behind their globally successful peers and have never been a global success. But now mobile phone and Internet use is developing faster in Asia than in the West. This has given China's Internet companies a precious opportunity to surpass Western ones," said Ma, who touts that WeChat is more innovative and user-friendly than its rivals.

But one major concern has Tencent worried: If its popularity grows, could other nations erect the same kind of roadblocks to expansion that have plagued Chinese telecommunications companies like Huawei and ZTE? Both companies have seen their efforts to expand into the United States halted over "national security" concerns.

WeChat has already run into such resistance. India's intelligence bureau has

reportedly proposed a ban on WeChat, saying that the app has already possessed too much personal information on Indians. The United States and other Western nations may suggest the same, fearing that too much citizen data could easily fall into the hands of the Chinese Government.

In response, a spokeswoman for Tencent said, "We have taken user data protection seriously in our product development and daily operations, and like other international peers, we comply with relevant laws in the countries where we have operations."

Given the recent revelations that the U.S. National Security Agency has been snooping on the e-mails of Americans, users may have few nagging doubts about downloading the Chinese app.

Another issue is whether China's global image will hold back WeChat in international markets since China is often associated with producing cheap, low-quality products. Persistent food scandals and toxic toys have created a lack of trust of Chinese-made goods in developed countries and beyond.

Duncan Clark, Chairman of BDA China, a consulting firm that specializes in China's technology and Internet sectors, told *The New York Times* that WeChat has the potential to overcome any lingering doubts in the West over the made-in-China label, saying potential users would have no idea the product is Chinese when visiting, for example, an app store, thereby leveling the playing field for mobile-chat app developers.

Robin Pinsto, a 54-year-old WeChat user in Canada, said she was surprised the app is Chinese.

"I started using WeChat six months ago and I use it every day now. I think WeChat is even better than WhatsApp, with its wide range of cartoon images and other functions," said Pinsto. "I think WeChat has a shot at being a global success."

Tseretzoulis, the office administrator in Montreal, has no qualms about WeChat's origins.

"It doesn't concern me which country developed it, as long as it's good to use." ■



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