

CHINA IN THE NEWS

INDY BUSINESS BULLETIN



Joanna Zhou (周娜), now residing in Knoxville TN, immigrated to Indianapolis with her husband from Beijing in 2013, where she worked in Human Resources for a U.S. Fortune 500 company. She enjoys her new life with her husband and kept in touch with her IAAT friends and readers by contributing to this column.

Chinese Vice Premier Liu Yandong meets sports delegation for Rio Paralympic Games

Chinese Vice Premier Liu Yandong and State Councilor Wang Yong met the country's sports delegation for the upcoming Paralympic Games here on Monday. Liu extended greetings and best wishes to the delegation and encouraged the athletes to go all out at the 15th Paralympic Games which will take place in Rio de Janeiro from Sept. 7 to 18. "The Chinese leadership has always attached great importance to the welfare of disabled people and the cause of Paralympic sports. We hope you can spread the Olympic spirit, the spirit of Chinese sports as well as the spirit of Paralympics in Rio," said Liu. Wang called on Chinese Paralympic athletes to try their best and compete for national glory as well as individual honor. China will send a total of 308 athletes to the 15th Paralympic Games, which feature 528 events of 22 sports.

刘延东在人民大会堂会见里约残奥会中国体育代表团

中央政治局委员、国务院副总理刘延东，国务委员、国务院残疾人工作委员会主任王勇，昨天（29日）在人民大会堂会见了即将出征的里约残奥会中国体育代表团。第十五届残奥会将于9月7日到18日在巴西里约热内卢举行，共设视力残疾、肢体残疾、智力残疾三大残疾类别的22个大项、528个小项。中国体育代表团由499人组成，其中运动员308人。

China's first driverless subway line to launch in 2017

China's first driverless subway line, the Yanfang line in southwest Beijing, is expected to start operations at the end of 2017, the People's Daily reported Monday. Operations on the line will be fully automatic, including train departures, door opening and closing, and cleaning, said the report. The trains will only use domestic technology. China started developing its own fully automatic subway system in 2010 and has mastered the core technologies, said the report. Beijing subway lines 3, 12, 17, 19 and the new airport line are all under planning and will also operate with completely automated, driverless trains. It is expected that the total length of fully-automated subway lines in Beijing will reach 300 km by 2020, said the report. The development and use of domestic operation systems is part of the "Made in China 2025" initiative, which aims to comprehensively upgrade Chinese industry. The move will also help strengthen China's presence in the global rail transport industry and ensure the security of the country's key infrastructure facilities.

首条自主研发无人驾驶地铁明年年底开通

2017年底，具有完全自主知识产权的第一条全自动运行系统（俗称“无人驾驶”）线路——北京地铁燕房线将正式开通运营。据报道，这条全自动运行系统线路实现了真正意义上的“无人驾驶”——无需人工介入，即可实现列车一系列自动操作，如发车、上下坡行驶、到站精准停车、开闭车门、洗车、休眠等。根据北京市的规划，3号、12号、17号、19号线以及新机场线等新一轮轨道交通线路建设都将采用全自动运行系统技术。

Chinese-made train makes debut for short run in Thailand

A new train purchased from China by State Railway of Thailand (SRT) was launched on Monday with a short trip, which is the first new train for Thailand

in 20 years. The train ran from Bangkok to Nakhon Pathom and then came back to Bangkok on its first trip here, while SRT will put Chinese-made new trains into service on the Bangkok-Chiang Mai route in October and finally on three other routes as well: Bangkok-Ubon Ratchathani, Bangkok-Nong Khai; and Bangkok-Hat Yai. SRT has contracted China Railway Rolling Stock Corporation (CRRC) Changchun Railway Vehicles Co Ltd to purchase 115 new carriages at a price of 4.98 billion Baht (143 million U.S. dollars). The first batch of 39 were handed over to the SRT on July 14. The SRT had been making test runs for the last month

中国列车在曼谷火车站投入试运营

8月29日，在泰国曼谷华兰蓬火车站，一辆中国制造的新客运列车即将开始试运行。泰国国家铁路局29日在曼谷火车站举行新客运列车试运营仪式。这批产自中国的新列车投入运行后将极大提高泰国火车的舒适度与现代化程度，预计新列车将于10月正式投入曼谷—清迈线运营。

Over 90,000 students from rural areas admitted in China's colleges

Over 90,000 students from rural and poor areas have been admitted in China's colleges this year, an increase of 20 percent from last year, the Ministry of Education said Monday. To recruit more students from rural and poor areas, universities have expanded enrollment, and introduced some preferential policies. Some universities simplified enrollment procedures, and give economic support to students from families with difficulties. The Ministry has disqualifying all students who make false statements in their records and suggests universities recheck students' qualifications after they enter college.

90000名老少边穷地区考生进入高校

今年大学开学，有超过90000名来自老少边穷地区的考生步入高校，这一比例相比去年高出了20%。高校一直以来为了增加考生的入学率，不进入扩大招生规模，同时采取了各种政策倾斜的方法。部分高校简化招生流程，并向一些有困难的家庭提供经济支持。教育部同事也督促高校加强对考生信息的核查，确保资源用于真正需要的考生。

China considers enhanced supervision of TCM

China's top legislature will read a draft law on traditional Chinese medicine (TCM) on Monday, calling for stronger management of the industry. The draft, now in its second reading, was submitted to the bimonthly session of the National People's Congress (NPC) Standing Committee, which runs from Monday to Saturday. Under the revised draft, pharmaceutical companies and TCM dealers must keep records of their purchases. It also stresses stricter management of farms used for TCM herb cultivation, better environmental protection for herb-growing regions, enhanced safety during processing and improved research on TCM theories and techniques. The draft also contains a general principle stipulating that China supports TCM studies, encourages innovation in TCM and promotes the application of such skills.

中医药法草案二审加强对中医药监督管理

中医药法草案29日第二次提请全国人大常委会审议，草案二审稿进一步加强对中药材种植养殖、流通使用和医疗机构中药饮片炮制、中药制剂配制的监督管理。对中药材种植养殖，草案增加规定，国家“严格管理农业投入品使用”；“加强道地中药材生产基地生态环境保护”。所谓“道地中药材”，是指经过中医临床长期应用优选出来的，产在特定地域，与其他地区所产同种药材相比，品质和疗效更好，且质量稳定，具有较高知名度的药材。对中药材流通领域，草案明确“药品生产企业购进中药材应当建立进货查验记录制度”，“中药材经营者应当建立进货查验和购销记录制度”。同时，草案明确“在村医疗机构执业的中医医师、具备中药材知识和识别能力的乡村医生，按照国家有关规定可以自种、自采地产中药材并在其执业活动中使用”。



Statewide Building Permits Rise in July

The Indiana Builders Association says single-family building permits throughout the state rose 6 percent in July. According to data from the U.S. Census Bureau and the Department of Housing and Urban Development, 1,189 permits were issued last month, compared to 1,124 in the same month last year.

WATCH: IN Manufacturing Future Bright, But...

A University of Indianapolis associate professor of finance says while the outlook for Indiana's manufacturing sector is bright, there is a dark cloud that threatens the industry. In an interview on Inside Indiana Business Television, Matt Will said Hoosier manufacturers all say the same thing: "I need STEM workers, people with math skills and technology background... we're short in that area and we really need more workers."

Purdue to Dedicate Phenotyping Facility

Officials from Purdue University, the Indiana Soybean Alliance and the Indiana Corn Marketing Council will today dedicate the university's new automated field phenotyping facility. The school says the \$10 million Indiana Corn and Soybean Innovation Center is the only university-based facility of its kind in the country.

Rose-Hulman Touts Record Female Enrollment

A new freshman class arrives today at Rose-Hulman Institute of Technology and the school says it includes a record number of female students. More than 160 female first-year students make up a record 30 percent of the incoming freshman class.

Notre Dame to Dedicate Center in Ireland

The University of Notre Dame will dedicate its new academic center in Ireland Thursday. The Notre Dame Center at Kylemore Abbey, which opened in May, will offer programs to as many as 44 students.

Shelby County Bridge Project to Begin Phase 3

The third phase of a \$3.3 million project to maintain and preserve 11 bridges in Shelby County will begin next week. Because of the work, the Indiana Department of Transportation says more lane closures will be in place on Interstate 74 in both directions next week.

More Regional Cities Funding in Fort Wayne

The Indiana Economic Development Corp. has approved \$1.7 million in Regional Cities funding for the Embassy Theatre in Fort Wayne. The money will go toward the \$10 million renovation of the theater, which the IEDC says is "advancing its prominence as a cultural hub in northeast Indiana."

Internship Program Targets Manufacturing

Indiana's advanced manufacturing and logistics initiative says its unique summer internship program is providing a "commercial" for what the industries look like. Conexus Interns Program Manager Tracey Everett says the program for high school students expanded statewide this year, growing from 84 to more than 230 students. In an interview with Inside Indiana Business Television, Everett said companies have been pleasantly surprised by the quality of the interns.

ITT Banned From Enrolling New Federal Aid Students

The U.S. Department of Education is banning Carmel-based ITT Educational Services Inc. (NYSE: ESI) from enrolling new students using federal aid. The department is also increasing its oversight of ITT, following the announcement by the Accrediting Council for Independent Colleges and Schools that ITT is not in compliance with accreditation criteria.

INDYCAR Looking at More Growth Opportunities

INDYCAR Chief Executive Officer Mark Miles says, while there is no major expansion planned for the Verizon IndyCar Series schedule in the short term, the organization is looking for additional venues moving forward. Thursday, Miles unveiled the 2017 IndyCar schedule, which includes a return to Gateway Motorsports Park near St. Louis.

Daimler Chooses Boone County For Distribution Center

Daimler Trucks North America says it will locate its first Midwest parts distribution center in Whitestown. The company says the \$12 million project will result in up to 45 new jobs by 2017.

\$21M Rail Warehouse 'Asset' to Indiana

The parent company of Venture Logistics says the new \$21 million Venture Rail Warehouse and Distribution Center on the south side of Indianapolis will be an asset for the state. Jack Schwarz with Indianapolis-based Schwarz Partners LP says the 406,000 square-foot rail-to-truck facility, a partnership with Indiana Rail Road Co., will help make Indiana more competitive by giving shippers a more efficient and cheaper option. Officials cut the ribbon yesterday on the facility, which is the first rail-served megawarehouse in Marion County in decades.

State Road Funds to Boost Local Work

As state transportation officials continue to highlight matching grants for transportation projects, local leaders are touting the importance of construction and maintenance work in their communities. The Indiana Department of Transportation have so far detailed \$47 million in support for central Indiana, with millions more in funding for projects in southern and northern Indiana being announced today and tomorrow.

St. Vincent Announces Expansion

St. Vincent has detailed plans for 11 new health care centers in central Indiana. The expansion involves eight emergency hospitals and three ambulatory care centers, with the first set to open next year.

Companies to Watch Span State, Sectors

Indiana honored 14 companies from throughout the state Thursday as "Companies to Watch" in sectors including life sciences, advanced manufacturing, logistics and technology. Indiana's newly-appointed Chief Innovation Officer Ian Steff said Thursday's event "couldn't me more well-timed." Last month, Governor Mike Pence detailed a \$1 billion proposal to put innovation and entrepreneurship on the front burner of the Indiana economy, which Steff says will ensure "that the good ideas that are resident here in the state are taken to the next level."

Marion Manufacturing in Terre Haute, which focuses on precision machining for the manufacturing industry Nanovis in Columbia City, which produces technology used in medical devices such as surgical screws and implants.

Nix Companies in Poseyville, which provides services for various industrial functions

Prosolia in Indianapolis, which makes life sciences tool for use in preclinical research and chemical analysis

Sharpen in Indianapolis, which provides a cloud native contact center platform for customer service teams

SMART Temps in Mishawaka, which offers a temperature management system which aids in the safekeeping of foods and medical products

Spot in Indianapolis, which helps customers quote, book and track freight

Torchlight in Indianapolis, which specializes in digital marketing

The companies are selected based on criteria including employment, growth, philanthropic efforts, innovation and combating potential economic hurdles, such as work force and capital challenges

Source: Inside Indiana Business, Andy Ober

Date Selected For First Gubernatorial Debate

The first of three potential debates among the major candidates vying to be the state's next governor has been set for next month. The Indiana Debate Commission says Libertarian Rex Bell, Democrat John Gregg and Republican Eric Holcomb have expressed interest in additional debates this fall.

Indiana." He adds the first debate will be held during school hours and webcast live. "Being involved in an event such as this is a new experience for the debate commission. We're excited to be part of an event that helps young people better understand our democratic system of electing our top officials in government, and we are pleased that the three candidates also recognize this opportunity."

The inaugural debate is scheduled for September 27 at Lawrence North High School in Indianapolis. It will fall the day after this year's first presidential debate. If agreed upon, the other debates will be sometime in October. The Indiana Debate Commission has held televised debates for gubernatorial and senatorial candidates since 2008.

The first debate will be town hall-style with high school students, teachers and administrators and be moderated by University of Indianapolis assistant political science professor Laura Merrifield Albright. The commission is also working on two televised debates with senate candidates Democrat Evan Bayh, Libertarian Lucy Brenton and Republican Todd Young.

President Dan Byron says "we are encouraged that the candidates acknowledge our intention to present three debates so they can share directly with voters how they would work to help shape the future of

Source: Inside Indiana Business, Dan McGowan



Evan Bayh



Todd Young

FINANCIALLY SPEAKING

Don't let presidential race derail investing strategy



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A recent report by the same title from Hartford Funds suggests, "as the 2016 presidential election continues to unfold like a circus sideshow, now might be the perfect opportunity for us to stop for a second for a quick sanity check. Making an anxiety-based change today because of your political beliefs is more likely to be harmful than letting this partisan storm pass us by."

incumbent or his party lost 88% of the time. The only failure was in 1956 (Eisenhower defeated Stevenson).

Republican administrations are generally viewed as pro-business. Democratic administrations are usually cast as the opposite. Thus, conventional wisdom is stocks typically fare better when Republicans are in the White House.

Conventional wisdom is often wrong, especially when it comes to investments. Since 1945 there have been six Democratic and six Republican presidents. Stovall examined compound annual growth rates for the S&P 500 during each presidency. The top three were Ford (Republican/+18.6%), Clinton (Democrat/+14.9%) and Obama (D/+12.4% through 12/31/15). The bottom three were Nixon (R/-5.1%), George W. Bush (R/-4.6%) and Carter (D/+6.0%).

This is sage advice. All investors are afflicted with biases, many unsupported by facts. We need to recognize our biases and not act on "gut" instincts, which are often damaging to our long-term investing success. Past performance is no guarantee of future results, but with political passions running white hot, stock market history provides objective information.

Interestingly and perhaps counterintuitively, for the entire period from 1945-2015, the compound annual growth rate for the S&P 500 was +9.7% during Democratic administrations, a significant premium to the +6.7% with Republicans in the White House.

Sam Stovall, U.S. Equity Strategist for S&P Global Market Intelligence, examined the performance of the S&P 500 Index going back to 1900.

Hartford reminds us the last time our nation elected a new president, many investors were skeptical of Obama's proposed policies and pulled out of stocks. The DJIA closed at 7949 on 1/20/09 (Obama's first inauguration) vs. 18432 at the end of July 2016. In dollar terms, \$10,000 invested in the S&P 500 at the end of January 2009 would have grown to \$30,884.75 by the end of July 2016. I'll leave it to the pundits to argue why, but the indisputable fact is investors who fled missed one of the greatest bull markets of all time.

Stovall determined the price change of the S&P 500 from July 31-October 31 has been a reliable predictor of whether the incumbent or his party is re-elected or replaced in November. There have been twenty-nine presidential elections since 1900. Republicans won 15 times and Democrats 14 times. The party occupying the White House changed 11 times.

Warren Buffett supports Clinton, but said the country is headed in the right direction, and "no presidential candidate or president is going to end it." Vote your conscience and don't let politics skew your investing decisions.

When the S&P 500 was up for the three months prior to the election, the incumbent or his party was re-elected 81% of the time. This indicator failed in 1968 (Humphrey lost to Nixon) and 1980 (Carter lost to Reagan).

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The S&P 500 was an even better predictor of the replacement of the incumbent or his party. When the S&P 500 was down for the three month period, the