

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 IAAAT friends and readers by contributing to this column.

Shanghai airport bombing suspect arrested

A man who was allegedly behind a Shanghai airport explosion three months ago has been arrested, local procurators said on Monday. The warrant of the arrest of Zhou Xingbai was issued by the people's procuratorate of Shanghai's Pudong District. Zhou, 29, allegedly threw a homemade explosive device in a beer bottle at a check-in counter in Terminal 2 at Shanghai Pudong International Airport at around 2 p.m. on June 12, injuring three passengers. Zhou cut his own throat with a knife at the airport, but was taken to the hospital for medical treatment, according to police.

浦东机场爆炸案嫌犯被批捕

2016年6月12日14时许,上海市浦东机场T2航站楼出发层C岛26号柜台处,一男子忽然从随身携带的背包里拿出用啤酒瓶自制的爆炸物投向值机柜台前的人群,爆炸造成现场三名正在办票的旅客受伤(均无生命危险),随后该男子从背包中取出匕首,割颈自杀,未遂后被送往医院救治。经检查,确定该男子为周某某,男,29岁,贵州德江县人。浦东新区人民检察院经审查后,日前以涉嫌爆炸罪对“机场爆炸案”犯罪嫌疑人周某某依法批准逮捕。

China alerts travelers against Zika

Chinese authorities on Wednesday issued an alert for outbound travelers to guard against the Zika virus, which has spread in some Southeast Asian countries. The General Administration of Quality Supervision, Inspection and Quarantine asked travelers to affected countries to be extra cautious and to avoid mosquito bites. Those coming from affected regions should declare themselves to the quarantine staff when entering China if they have suspect symptoms, such as fever, joint pain, rashes, conjunctivitis, headaches and muscle pain, said the administration. Quarantine authorities nationwide were also asked to step up cooperation.

注意防范寨卡病毒

自8月27日发现一例寨卡病毒感染患者以来,寨卡病毒在新加坡集中爆发,目前疫情已经扩散至该国数个区域。中国驻新加坡大使馆领事处发布领事提醒,希望在新加坡公民注意防蚊驱蚊以防范寨卡病毒。领事提醒称:近期,寨卡(Zika)病毒在新加坡境内特定社区的传播出现扩散趋势。新加坡卫生部已经通知世界卫生组织新加坡为全球第58个寨卡病毒在境内传播的国家,并将寨卡病毒列入须向卫生部报告的传染病名单。目前新加坡境内寨卡病毒感染病例已达115起,主要集中在沈氏通道、阿裕尼弯以及加冷大道与巴耶利峇大道等区域。

China to build more electric vehicle charging stations

China will accelerate construction of electric vehicle charging facilities in residential areas to boost production and sales of green cars, the country's top economic planner said Monday. Charging stations will be built in pilot cities in Beijing, Tianjin, Hebei Province, Shandong Province, and major cities in the Yangtze River Delta and Pearl River Delta, according to a document jointly released by the National Development and Reform Commission (NDRC) and three other central departments. Electric power companies are asked to help construction of charging stations.

中国将建更多电动汽车充电站

国家经济计划署表示将建更多的电动汽车充电站,以推动绿色节能汽车的销售和生产。地点将在北京、天津、河北、山东以及珠三角一带的重要城市。在此过程中,国家将向电力公司寻求帮助和支持。

Steel companies swing back to profit

China's steel industry improved its profitability in the first seven months, due to rising steel prices, an industry insider said Saturday. Although sales revenues

of 373 steel companies fell 11.91 percent to 1.5 trillion yuan (225 billion U.S. dollars) during the period, their profits hit 16.3 billion yuan, Zhao Pei, secretary general of the Chinese Society for Metals, said at a forum. However, market demand remained tepid, with steel consumption falling 3.6 percent year on year in July, Zhao said. As of July, China had achieved 47 percent of its target to cut steel capacity by 45 million tons this year.

24家钢铁上市企业上半年盈利30亿元

告别了去年的巨亏,钢铁行业终于实现整体盈利。在界面新闻统计的24家A股钢铁上市公司中,实现盈利和亏损的企业分别为19家和5家,盈利总额达到30亿元。宝钢股份以34.6亿元的净利润领跑同行。而在去年,上述24家公司中仅有7家实现盈利,亏损总额高达564亿元。中国钢铁工业协会(下称中钢协)会长马国强在7月称,今年上半年,钢协会会员企业销售收入下降11.9%,至1.2万亿元,但利润同比增长4.2倍,达到125.8亿元。马钢股份及河钢股份分别排在榜单的第二、第三位,实现盈利4.5亿和4亿元。在界面新闻统计的钢铁上市公司中,宝钢股份是唯一一家实现两位数净利润的,其盈利额甚至超过其他18家盈利公司的总额。

China manufacturer delivers components for new Boeing airplanes

Chengfei Commercial Aircraft Company (CCAC) has delivered a batch of key aircraft components on Friday: rudders made in Chengdu, capital of southwest China's Sichuan Province, for Boeing's new 737 MAX and 787-10 Dreamliner. CCAC is a subsidiary of the Aviation Industry Corporation of China (AVIC), the country's largest state-owned aircraft producer. Boeing is proud to join AVIC and CCAC to celebrate another exciting milestone in the growing relationship among our companies. The delivery of rudders is for not just one but two of Boeing's airplane development programs," said Ian Chang, Boeing Commercial Airplanes vice president of supply management in China.

波音飞机关键部件“方向舵”实现“中国制造”

9月9日,美国波音最新机型B737MAX和B787-10梦想飞机的关键部件“方向舵”在成都成功交付,标志着中国已进入飞机工业关键部件国际制造者行列。公司提供的资料显示,B737MAX是最畅销的737家族的最新改进型,预计于2017年开始交付客户;B787-10是787家族中的最大成员,预计于2018年开始交付客户。此次由中航工业成都飞机工业集团民用飞机有限责任公司制造的方向舵将用于这两种最新机型,其中B787-10机型方向舵将使用碳纤维材料,由中航工业飞机独家制造。而B737MAX机型方向舵是波音与中航工业联合创建的制造创新中心首个项目。

China's tech giant Huawei supports startups in France

Three French startups received awards Monday evening for their products that could make everyday life better experience in the near future, joining previous winners of a national program designed to support innovative entrepreneurs. The program, named Digital In-Pulse, was set up three years ago by Huawei France, in a bid to support innovative small and medium companies across the country and meanwhile reinforce cooperation between them and talents in Shenzhen, a coastal city in southern China where Huawei is headquartered. Since 2014, nearly 30 French companies have benefited from the program, including financial support of up to 50,000 euros, business trips to China and personalized follow-ups from Business France, a government-affiliated business promotion body and Huawei's partner on this program.

华为法国创新创业大赛助力法国创新人才进入中国市场

法国当地时间16日,在法国里尔举办的第三届华为法国Digital In-Pulse创新创业大赛上,多家法国科技创业公司获得由中国科技巨头华为提供的创业资金和进入中国市场、和中国企业合作的机会。华为法国总经理宋凯在接受中国日报的采访中表示,华为在法国乃至欧洲的战略不仅仅是营销,更是“给予、互补”。对于为什么选择法国来做创新创业大赛的项目,他表示在经过多方面调研后发现,法国的科学核心领域例如数学、(产品)设计、芯片还有物联网(IoT)等领域都非常领先,代表了全球最高水平。华为希望这些创新项目能同时带动华为的研发,我们还会把他们(法国创业公司)介绍给国内其他的大公司,比如腾讯和阿里巴巴,给这些创业公司更多的机会促进合作交流。”他解释道。



Fortune List Spotlights RV Rebound

Two big names in the Indiana RV industry are included on a national list for growth. The Fortune Fastest-Growing Companies top 100 class is ranked based on criteria including annual revenue growth and earnings per share over the last three years. Patrick Industries Inc. (Nasdaq: PATK) and Drew Industries Inc. (NYSE: DW), both based in Elkhart, have ridden the RV industry's resurgence and announced several acquisitions.

Odyssey Eyes 100 Million Users

An idea hatched by two Indiana University students to “democratize the media business” has quickly grown into one of the nation's fastest growing social media platforms for Millennials and is showing no signs of slowing down. Indianapolis-based Odyssey has amassed more than 14,000 content creators and uses proprietary “relevance engine” technology to match users with the content they want. “We're essentially taking real people out of communities and helping provide them tools so they can be heard and their voice can be part of a local, regional or national dialogue,” said co-founder Evan Burns.

BMW Championship Draws 125K to Carmel

The 2016 BMW Championship attracted nearly 125,000 fans to Crooked Stick Golf Club, down from the 140,000 that came out in 2012, which was the last time the event was held in Carmel. Dustin Johnson won the four-day tournament, taking home a \$1.53 million check.

Pence Seeks Relief For ITT Student Veterans

Governor Mike Pence is asking the U.S. Department of Veterans Affairs to reinstate GI Bill benefits for veterans who used them at ITT Technical Institute. Carmel-based ITT Educational Services Inc. announced last week it was closing all of its campuses nationwide.

MOBI to Dig in on Training Workers

The chief executive officer of MOBI Wireless Management LLC admits it will be a tall order to fill more than 500 additional openings by 2020, but says the tech company is up to the task. Scott Kraege says any business scaling up runs into issues finding enough qualified workers, so MOBI has built programs that not only train workers, but also help put them in the mindset of helping to recruit the next generation of employees. The company has finalized plans to invest \$11.5 million into expanding a Zionsville hub.

YEAST: THE NEXT LOCAL BEER FRONTIER

An Indiana University scientist who is also a home brewer has launched a business focusing one of beer's more geeky components: yeast. Bloomington-based Wild Pitch Yeast offers yeast strains for purchase, consulting, storage and laboratory services. Matt Bochman says his company opens the door to services that small breweries don't typically have the space or budget to access. “They can send us samples and we can, pretty quickly because we're local to a lot of these guys, give them the results they need on contamination issues, things like that.”

He says having more yeast varieties, including some that are derived locally, can help craft beer makers expand their portfolio. “Brewer are mad scientists,” Bochman told Inside Indiana Business Television during an interview last weekend. “They love to experiment and one thing many brewers haven't experimented with is yeast. We can find species that nobody has ever brewed with before and really up their game. It's a whole different flavor profile that we can bring to their product.”

Bochman founded Wild Pitch Yeast last year after teaching a class at Upland Brewing Co. in Bloomington. A quality control manager knew of

Cook Launches No-Cost Training Program

It's rare that getting an education is free, but Bloomington-based Cook Group says its new employee training program aims to be so exceptional that workers can't help but take advantage. At no cost to them, Cook employees can earn their High School Equivalency (HSE) or an associate degree. With more than half of its global work force in the Bloomington area, the medical device manufacturer says growing its own talent is “absolutely critical.”

Report Shows High-Tech Factor Drives Indiana Manufacturing

A recent report that combs through a myriad of statistics associated with the U.S. manufacturing industry reveals that Indiana's manufacturing economy is very strong. The report's author notes, in terms of the share of the economy, Indiana's only competitors are Colorado's aerospace sector and the high-tech sector in Connecticut and Massachusetts. However, the report underscores one concern that could impact Indiana's manufacturing might: human capital and the state's struggle to help the work force keep pace with the increasingly high-tech industry.

Kohl's Picks Plainfield For E-Commerce Center

Wisconsin-based Kohl's (NYSE: KSS) plans to open a new e-commerce distribution center in Plainfield. The company says the 937,000 square-foot facility, which is expected to open next summer, which is expected to generate 900 full and part-time jobs.

Canadian Company Opens \$90M Warehouse in Hammond

Canada-based PotashCorp has opened a massive distribution facility in Hammond. The company says the \$90 million Hammond Regional Distribution Center can hold about 120,000 tons of potash, a primary crop nutrient used in fertilizer.

Cummins Partnership Aims to Boost Efficiency

Columbus-based Cummins Inc. (NYSE: CMI) is collaborating with Texas-based Peterbilt Motors Co. to develop technologies as part of the U.S. Department of Energy's SuperTruck II program. Cummins says the goal of the program is to reduce gas consumption and greenhouse gas emissions at a more rapid pace.

Lease Targets Rural Broadband Boost

State leaders say a new agreement to lease communications infrastructure will pay big dividends for the economy, specifically for the rural agriculture and telehealth sectors. The deal with Ohio-based Agile Networks, which could net the state more than \$260 million over 50 years, aims to bring broadband service to areas of the state that currently have no access. Indiana State Department of Agriculture Director Ted McKinney says Hoosier farmers and agribusinesses must have access to reliable broadband in order “to grow and thrive in today's economy, as well as to remain competitive globally.”

NEW TOOL HELPS MANUFACTURERS SEARCH FOR OBSCURE PARTS

In a world where complex parts are plentiful, searching for the right widget or thingamajig can be maddening for a manufacturer—and costly. Imaginetics LLC, based at the Purdue Research Park of West Lafayette, has invented a tool it says will save manufacturers time and money. Called VizSeek, the technology can use things like a sketch or picture to search a manufacturer's entire database to find that nondescript doohickey.

Imaginetics describes VizSeek as visual search software. Think of it like a Google search for shapes: rather than entering text into a search engine, users enter an image, such as a drawing, 3D model or photo, and the technology searches the manufacturer's database for similar shapes.

“When the user uploads a visual file, VizSeek computes its ‘shape signature,’ and compares it with the shape signatures of parts in the [manufacturer's] database,” says VizSeek Application Engineer Rob Hill. “[That database] could be a catalog of parts of their supplier, CAD data if they're a designer, images, 3D models or drawings.” Each database is unique to the company using it; when a customer purchases VizSeek, the software indexes the manufacturers' entire catalog or collection of parts to make it searchable.

The technology, which can be used on a computer or smartphone, is about to launch a new feature; users can take a picture with their phone, which automatically syncs with a nearby computer to complete the search. Hill says engineers rely on design data from parts they've previously made, but it can be difficult to find the parts using text rather than visual inputs.

“[The design] could be in different repositories or databases, or could've been done by an engineer years ago who had a different name for that part,” says Hill. “There's engineering data associated with the CAD model or the drawing that's very important to engineers; that's where visual search can really help. There's a cost associated with part design; if you're starting from scratch, that can be very costly.”

Hill says VizSeek also streamlines operations; the clunky process of exchanging multiple emails

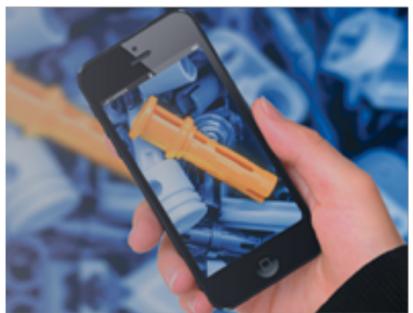
attempting to describe—in text—an odd-shaped part can be reduced to a single visual search. Hill also believes relying on visual inputs eliminate language barriers that often arise in global transactions.

VizSeek charges users a subscription fee based on the number of files the software indexes to make them searchable. VizSeek Chief Executive Officer and co-founder Dr. Jamie Tan says visual search software is not an entirely new concept and is gaining traction, especially in the fashion industry.

Imaginetics has cut its teeth providing visual search services for the Department of Defense and large companies, including Ohio-based DAYTON LAMINA, which touts \$200 million in sales for special punches and die components.

The company is currently focusing on growing its presence in the manufacturing industry. Self-funded to date, Imaginetics is working to raise several million dollars in venture capital to expand its sales and marketing efforts—certain more manufacturers will find great value in visuals. Hill says customer service agents have told him VizSeek streamlines the process of helping clients identify obscure parts.

Source: Inside Indiana Business, Kylie Veleta



FINANCIALLY SPEAKING

Fireworks galore, but Powerball still a lousy “investment”



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I'll admit nobody was more excited than me in January when the Powerball jackpot grew so big it exceeded the billboard's digital capacity of \$99 million. If it seems like these ginormous jackpots are becoming more frequent, you're right. According to an article in The New York Times, four of the 10 biggest jackpots in U.S. history have already occurred in 2016, including the \$1.58 billion Powerball jackpot on January 13.

Was this the result of the “luck of the draw?” Hardly, it was an “engineered outcome intended to generate mind-boggling big winners,” created by combining math and human nature to “stimulate more gambling.”

State-run lotteries are a huge business in the U.S., generating sales in 2015 of \$73.8 billion. Since only roughly 60% of sales are paid-out as prizes, the remaining 40% is an important source of funds for the 44 states (and D.C.) with lotteries.

Powerball started as Lotto America in 1988 and Mega Millions in 1996 as the Big Game. In 2010 a cross-selling agreement between Powerball and Mega Millions went into effect, resulting in lottery players across the country now having the opportunity to play four times per week, Tuesday and Friday (Mega Millions) and Wednesday and Saturday (Powerball).

The enormous jackpots resulted from redesigns of Mega Millions in 2013 and Powerball in October

2015. Winning the Powerball jackpot requires matching all five white balls plus the red Powerball. By making a small adjustment in the number of white balls (from 59 to 69—doubling the available combinations of white balls) and Powerballs (from 35 to 26), Powerball decreased the odds of winning the jackpot from an infinitesimal 1 in 175 million to an even more infinitesimal 1 in 292 million (while making it slightly easier to match just the Powerball, which yields the smallest prize).

The “genius” in the redesign, according to a July 2015 piece by Walt Hickey <http://fivethirtyeight.com/features/new-powerball-odds-could-give-america-its-first-billion-dollar-jackpot/> omstats guru Nate Silver's FiveThirtyEight.com (a fascinating website which uses statistical analysis to tell compelling stories about politics, sports, science and economics), was it increased the oddsof future jackpots growing to \$1 billion by 7.5 times. Sure enough, Hickey's prediction came true within four months of the redesign.

It's fun to fantasize, but the harsh math of lotteries makes them a losing proposition. With states paying out only 60% of sales in prizes, you can expect to lose a whopping 40 cents on every dollar you spend, a 40% “house advantage” that would make casinos blush (roulette is a casino's favorite game, with a 5% house advantage).

The Times guessed as many as 50 million U.S. adults are swallowing net losses averaging \$1,000/year (\$20/week). Further, if that \$1,000 was instead invested every year from the age of 20 until 65 and earned a very attainable 5% annually, you would have a very real nest egg of about \$167,000.

Successful investors focus on process, not outcome. Somebody did win that billion-dollar jackpot, but that doesn't mean betting one dollar with the expectation of losing 40 cents is wise. Finally, the best way to make money investing is slowly. It's human nature to want to win the jackpot with a lucky ticket overlooking the “next Facebook,” but that's a dream bound to end badly.