

# CHINA IN THE NEWS



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.

## China approves five-year plan to revive northeast

China's State Council has approved the plan to revive the country's northeastern region during 13th Five-Year Plan period (2016-2020) in the latest effort to assist the area's sagging economy. The plan called for more focus on quality growth and supply-side structural reform to encourage innovation and entrepreneurship. The northeast should take coordinated efforts to improve the region's economic structure and enhance its competitiveness, according to the plan. The State Council asked authorities in the provinces of Liaoning, Jilin, Heilongjiang, as well as Inner Mongolia Autonomous Region to realize the urgency of the mission and make solid efforts to achieve the goals of the revival plan.

## 推进东北民营经济改革五年形成发展新模式

发改委今日发布《关于推进东北地区民营经济发展改革的指导意见》。意见给出了改革主要目标：经过五年左右时间，通过推动民营经济发展改革方面的锐意创新，初步形成具有东北地区区域特色的民营经济发展新模式，以“亲”、“清”为主要特征的新型政商关系基本建立，促进民营经济健康发展的体制机制和政策体系进一步完善，民营企业的市场经营和投资环境显著改善，民营企业大量涌现，民营经济规模不断壮大、活力和创造力明显提升。

## China sets up big data zone in Inner Mongolia

China unveiled Monday a big data zone being built in Inner Mongolia Autonomous Region. The Inner Mongolia zone, centered at the regional capital Hohhot, is one of the seven under construction in China and will focus on analyzing data on energy, meteorology and geology to help energy conservation and cooperation. Xu Shaoshi, chairman of the National Development and Reform Commission, said the commission will draw up policies to bring big data products, industry, and technology to the zone. Businesses, research institutes, and universities are also encouraged to participate. A number of information industry heavyweights including Alibaba, Baidu, China Telecom and Tencent have offices in the zone.

## 内蒙古投500亿发展云计算数据中心

大型云计算产业基地在内蒙古自治区呼和浩特市开工，中国电信、中国移动、中国联通三大“巨头”分别投资百亿元打造云计算数据中心。业界普遍认为，云计算与内蒙古的结合是一次产业与资源优势互补的共赢之举，不仅会促进通信企业的升级发展，更会有力地推动内蒙古地区经济发展和产业结构的转型升级。除了上述三大“巨头”，包括中兴能源公司、北京世纪互联、IBM等国内外大型IT企业也纷纷瞄准内蒙古鄂尔多斯、包头、赤峰等地，剑指云计算产业。作为“羊煤土气”等传统产业为经济支撑的内蒙古自治区，如今已跻身包括北京、浙江、广东等经济发达省份在内的大型云计算基地之列。

## China welcomes WWF, carmaker to Sanjiangyuan environmental program

Sanjiangyuan Nature Reserve, which will become China's first national park by 2020, has engaged the WWF and a Chinese car maker to be involved in protection work. Li Xiaonan, chief of the administrative bureau of Sanjiangyuan Nature Reserve, said Monday that the bureau had signed cooperation deals with the WWF and Guangzhou Automobile Group. Co. Ltd. (GAC Group). The central government hopes to make Sanjiangyuan, home to the headwaters of the Yangtze, Yellow, and Lancang (Mekong) rivers, as a model of "effective environmental protection and harmony between nature and humanity."

## 三江源国家公园项目启动

三江源国家公园管理局、世界自然基金会(WWF)和广州汽车集团乘用车有限公司近日签署战略合作框架协议，共同启动“诞生在三江源——国家公园创行”项目，开启社会参与中国国家公园建设之先河。未来4年，三方将通过科学指导、制度保障，进行实践探索，为生态文明制度建设提供例证。国家发改委相关负责人表示，选择在三江源典型和代表区域开展国家公园体制试点，有助于解决生态保护与民生改善联系还不够紧密、社会参与生态保护程度不高等问题。社会组织和社会机构的加入，动员了社会力量参与，为自然资源的合理利用打下了坚实基础。

## Chinese boxer Zou captures first world title after beating Kwanpichit

Two-time Olympic gold medalist Zou Shiming claimed the vacant World Boxing Organization flyweight title with a unanimous decision victory over Kwanpichit Onesongchaigym at the Thomas & Mack arena in Las Vegas on Saturday. The 35-year-old from China easily outpointed Kwanpichit, winning on all three judges' scorecards to capture his first world title. Two judges had it 120-107 while the other scored it 119-108.

## 邹市明再次拳王称霸

北京时间昨天上午，在美国拉斯维加斯，35岁的中国拳手邹市明第二次向WBO蝇量级世界拳王金腰带发起冲击。结果，经过12回合的较量后，邹市明最终以压倒性的优势战胜了泰国名将帕波姆，第一次将金腰带收入囊中。凭此胜利，邹市明不仅成为首位获得WBO世界拳王金腰带的中国拳手，而且也实现了世锦赛冠军、奥运会冠军和职业拳击世界冠军的大满贯伟绩，证明了他是中国拳手在世界职业拳坛领军人的事实。

## Median salary in Taiwan grows in 2015

The median salary in Taiwan's industrial and service sectors grew 2.11 percent in 2015 from a year earlier, the island's statistics authority said on Monday. The median monthly salary in the two sectors stood at 40,853 new Taiwan dollars (1,298 U.S. dollars), according to the Directorate General of Budget, Accounting and Statistics (DGBAS). The median monthly salary in the industrial sector was 40,939 new Taiwan dollars, while that in the service sector was 40,853 new Taiwan dollars.

## 台湾2015年穷忙行业出炉：最低平均月薪为5000元

台湾劳工阵线17日召开记者会，解密“2015年穷、忙行业”，调查台湾93个行业，在低薪、长工时方面，发现去年最低薪行业是“其他教育及教育辅助服务业”，平均月薪仅24302新台币(约为5152人民币)，只有工业及服务行业平均月薪48490元(新台币，下同)的一半左右。劳工阵线指出，另外前4低薪行业，分别是美发及美容美体业、其他汽车客运业、废弃物清除业、建筑物及绿化服务业，平均薪资不到3万元。

# INDIANA IN TOP 10 FOR BUSINESS CLIMATE

May th A national economic development industry publication is giving Indiana high marks in its annual State Business Climate Rankings. The Hoosier state placed 10th this year on the list from Site Selection magazine. Indiana and Ohio are the only non-southern states in the top 10.

On the executive survey portion of the rankings, which accounts for half the overall ranking, Indiana was tied with Virginia for 6th. The other half is based on a mix of ratings from seven factors, including:

- Performance in Site Selection's annual Prosperity Cup ranking
- Total project locations and expansions compliant with the Conway Projects Database in 2015
- Total projects per capita in 2015
- Total year-to-date projects
- Total year-to-date projects per capita
- State tax burdens on mature firms according to a Tax Foundation and KPMG Location Matters analysis
- State tax burdens on new firms according to a Tax Foundation and KPMG Location Matters analysis

Georgia place number one, followed by North Carolina, Ohio, Tennessee and Texas.

# FRENCH LICK: VISION BECOMING REALITY

When a revamped French Lick Springs Hotel and a new casino opened ten years ago this month, there was a sense of excitement and anticipation in Orange County. The development, followed shortly thereafter by the rebirth of the neighboring historic West Baden Hotel, revived the region's past with hopes of improving its future. The late Bill Cook and his wife Gayle, along with Bloomington-based Cook Group Inc., invested \$560 million on a vision that officials say is providing jobs and improving quality of life in the region. The resort currently has about 1,700 employees, but officials say the impact extends far beyond the properties. "It was Bill's plan to plant the seed, and it was a big seed, \$560 million is a lot of

money, and the hope was that it would develop around the resorts," said Vice President of Resort Operations Joe Vezzoso.

In an interview on this weekend's edition of Inside Indiana Business Television, Vezzoso said the Cook family's involvement, and projects around the resort, have continued for the past ten years.

The histories of the two hotels date back to 1845. Before re-opening in the spring of 2007, West Baden Hotel had sat idle for 75 years and at one time was in danger of collapsing.

The Cook investment not only saved the historic properties, but set the wheels in motion for numerous new projects, impact and recognition, including:

- Three new hotels, a dozen new restaurants and more recreational opportunities, including zip lines, a local history museum and new winery and distillery
- A \$6 million, three-story, mixed-use Town Center, which houses shops, restaurants and apartments, in downtown French Lick
- \$110 million in new tax revenues funneled to the communities of French Lick, West Baden, Paoli and Orleans
- Donald Ross Course restored to original 1917 design (2006)
- Nine miles of Mountain Biking Trails added on resort's 3,200 acres (2007)
- Pete Dye Course opened and was awarded "Best New Course" by three top golf publications (2009)
- PGA Professional National Championship played on The Donald Ross Course (2010)
- French Lick Resort named "Best Historic Resort" by Historic Hotels of America (2013)
- The Legends Championship held on The Pete Dye Course, tournament half million dollars given to Riley Children's Foundation (2013-2016)
- Historic Trolley service returned to the resort (2014)
- Footgolf launched on The Valley Links Course (2014)
- Senior PGA Championship presented by KitchenAid held on The Pete Dye Course (2015)
- \$20-million-dollar Event Center expansion increased meeting space to total of 165,000 sq. ft. (2015)
- Pete Dye Pavilion expanded to serve 300 guests (2016)
- The Stables Pavilion added to increase venue options for groups (2016)

The resort revival has also prompted improvements at the local municipal airport, which estimates nearly 10,000 aircraft have used the facility since 2006, with international visitors coming from India, China and Switzerland, among other countries. Next year, French Lick will celebrate another milestone: the 100th birthday of the resort's Donald Ross Course.

Source: Inside Indiana Business Gerry Dick

# INDY BUSINESS BULLETIN



## Marian Launches Educators College: 'It's About Talent'

The state of Indiana is partnering with Marian University on another tool to battle an ongoing teacher shortage. The university has officially launched the Educators College, which Dean Kenith Britt says is "a whole new vision" for Marian's school of education. As part of the effort, Britt says the university will offer supplemental scholarships to high-achieving students already receiving state funding, which will cover the balance of their tuition.

## SIA Growth Rippling Statewide

An auto supplier in Elwood has detailed a \$111 million expansion to meet demand from one of its biggest customers, Lafayette-based Subaru of Indiana Automotive Inc. ELSA Corp. says it plans to add 114 jobs and two production lines to support SIA's growth that includes production of the 2017 Impreza.

## Caito Foods Service Acquired in \$217M Deal

Indianapolis-based Caito Foods Service is being acquired by SpartanNash in Michigan in a \$217 million transaction. Caito supplies fresh fruit and vegetables to grocery retailers and food service distributors in 22 states. The deal, which also includes Caito's logistics affiliate Blue Ribbon Transport, is expected to close early next year.

## Monumental Marathon Targets New Generation

Organizers of the ninth annual Indianapolis Monumental Marathon say the event will provide economic and educational benefits to the city. For the first time, both the marathon and half-marathon are sold out, with a total of nearly 20,000 participants expected. In addition to proceeds benefiting Indianapolis Public Schools-related charities, several hundred IUPUI students will serve as training partners and work behind-the-scenes in event management roles. The event is expected to have an economic impact of more than \$8 million.

## Recruiting Firm Adding Hundreds of Jobs

Danville-based Safe Hiring Solutions and its sister company Safe Recruiter Solutions have announced plans to expand into Montgomery County. The companies will invest \$1.3 million into a new Crawfordsville facility and create up to 284 jobs by 2020. Safe Hiring Solutions provides background checks and employment screening for businesses, schools and other organizations. The Crawfordsville office will serve as the headquarters for Safe Recruiter Solutions, which works to help manufacturing companies find qualified workers.

## Ivy Tech Number One For Associate Degrees

Ivy Tech Community College is again topping a list of the nation's two-year colleges in granting associate degrees. Overall, Community College Week says Ivy Tech ranks third behind University of Phoenix-Arizona and Miami Dade College.

## Study Shows Opportunities, Challenges in AgBiosciences

As leaders continue to seek answers to the looming need to feed a growing global population, a recent report spotlights the need for innovation in the Indiana agbiosciences sector. AgriNovus Indiana Chief Executive Officer Beth Bechdol says agriculture and biosciences innovation accounts for 75,000 Hoosier jobs and is continuing to expand by more than 20 percent over the last decade. Bechdol says the report also shows opportunities for significant growth in what she calls "allied fields," which are often tech-enabled.

## Fishers Kroger Part of 'New Business Model'

As Kroger Co. (NYSE: KR) continues to roll out a \$465 million expansion and renovation plan throughout the state, a spokesman says a new Fishers store showcases features that shoppers wouldn't have expected years ago. Central Division Public Affairs Manager Eric Halvorson says the Hamilton County location was reconfigured to be more compatible with the architecture surrounding it. During an interview with Indiana INdiana Business, he says the \$24.6 million makeover includes an expanded apparel section and fitting room, which is part of a new business model.

## Museum Unveils 'INVision' Campaign

The Indiana State Museum and Historic Sites has kicked off the public phase of a more than \$18 million fundraising campaign to support major renovations ahead of its 150th anniversary. The INVision campaign aims to raise an additional \$2.5 million to fund the five-phase plan. The project, scheduled to be complete by 2019, includes the re-imagining and renovation of each of the museum's core galleries as well as improvements to the 11 historic sites throughout the state. The museum has already raised \$15.7 million toward its overall goal of \$18.2 million.

## Cummins CEO: 'Challenging Economic Conditions' Persist

Columbus-based Cummins Inc. (NYSE: CMI) is reporting third quarter net income of \$289 million, compared to \$380 million in the same quarter a year ago. Chief Executive Officer Tom Lineberger says performance continues to be affected by slow global economic growth and weak demand in key markets.

## TPP Spotlights International Trade

Local and national economic development leaders say ongoing discussion surrounding the hotly-debated Trans-Pacific Partnership issue is a good opportunity for mid-sized companies to weigh the costs and benefits of doing business internationally. U.S. Assistant Secretary of Commerce Steve Haro says Indiana is a "massive trade state," and calls it a model of how international trade can be a successful economic driver for the entire country.

# FINANCIALLY SPEAKING

## Be wary of mutual fund capital gain distribution season



Mr. Kim is the Chief Operation Officer and Chief Compliance Officer for Kirr Marbach & Co. LLC, an investment adviser based in Columbus IN. Please visit www.kirrmar.com.

Many funds elect to make their required annual distributions at year-end. A fund will net its realized capital gains and losses. If there is a net gain, that amount is distributed to shareholders. If there is a net loss, that amount can be "carried forward" and used to offset gains in future years.

A fund calculates its distribution by dividing the net capital gain by the number of shares outstanding on the "record date." Assume Fund A has \$100 million in assets, a net capital gain of \$10 million for 2016 and 1 million shares outstanding on the record date of December 28, 2016.

Fund A will make a capital gains distribution of \$10/share (\$10 million gain/1 million shares) to all shareholders (taxable shareholders will pay taxes on it). Fund A's net asset value (NAV) will immediately drop from \$100 (\$100 million assets/1 million shares) to \$90 ((\$100 million assets - \$10 million capital gain distributed)/1 million shares).

Shareholders can elect to receive the distribution in cash or reinvest the amount in additional shares. So, if a shareholder owns 1000 shares worth \$100,000 on the record date, she can either take a check for \$10,000 (reducing the value of her investment to \$90,000) or reinvest the \$10,000 in additional shares (leaving the value of her investment constant at \$100,000).

Importantly, she receives the same \$10/share taxable distribution whether she owned the shares one day or ten years as of December 28. In sum, while the distribution is a nonevent from an investment point of view, it can be a very big deal for taxes.

Taxable shareholders should generally avoid buying shares of a fund in front of a distribution. As Benz says, "The last thing you want to do is buy into a fund and pay taxes on a distribution that you did not enjoy in any way, shape or form."

Most funds post estimates of upcoming distributions on their websites. Alternatively, the free http://www.capgainsvalet.com/ tracks distributions.



Historic West Baden Hotel



Paoli Peaks



French Lick Resort - The Pete Dye Course