

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 LAAT friends and readers by contributing to this column.

China launches reform of Chinese "green cards"

China has begun a series of changes to the rules regarding permanent residence for foreigners, according to a plan issued by the Ministry of Public Security (MPS). The "foreigner's permanent residence card" will be renamed as the "foreigner's permanent residence identity card." Similar to the identity cards used by Chinese citizens, foreigners' identity information will be embedded in the chips on the machine-readable cards, to be shared by railways, airlines, insurance agencies, hotels and banks. The old version cannot be recognized by machines, and foreigners often face difficulties in identity authentication, said an official at the MPS.

外国人永久居留证将改革 "中国绿卡"使用更便利

外国人永久居留证件便利化改革任务将于2017年第二季度完成。届时，外国人永久居留证件的实用效能将大幅提升，新增的机读核验功能也将进一步便利持证人在华工作和生活。改革措施包括：一是将“外国人永久居留证”更名为“外国人永久居留身份证”，强化身份认证功能。二是参照第二代居民身份证优化证件设计，统一技术标准，在证件中嵌入芯片存储证件签发管理信息，实现第二代居民身份证阅读机具识别核验。三是改造铁路、民航、保险、宾馆、银行等相关信息系统，实现永久居留外国人信息部门间共享。四是开展有针对性的宣传，提高“外国人永久居留身份证”的知晓度。

Shanghai Pudong Development Bank sets up Singapore branch

Shanghai Pudong Development Bank (SPD Bank) announced Wednesday that it had established a branch in Singapore. The Singapore branch is the first overseas branch of SPD Bank and will spearhead its internationalization strategy, especially in Southeast Asia, the bank said. Speaking at the opening ceremony on Wednesday evening, Sim Ann, senior minister of the state of Singapore, said financial cooperation is a key pillar of the cooperation between Singapore and Shanghai and the opening of SPD Bank's Singapore branch is a milestone for the internationalization of the bank which brings vitality to Singapore's vibrant financial environment. The minister said the establishment of SPD Bank's Singapore branch will further promote trade and economic exchanges and strengthen the financial cooperation between the two sides. She expressed the hope the multifaceted cooperation between Singapore and Shanghai will promote the Belt and Road Initiative.

上海浦东发展银行在新加坡设立分行

上海浦东发展银行股份有限公司（简称浦发银行）12日举办新加坡分行开业庆典。这是浦发银行的第一家境外分行，将贯彻浦发银行的国际化发展策略，成为浦发在东南亚地区的重要据点。负责人指出，上海在新中两国的经济合作关系中

扮演举足轻重的角色，双方一直保持稳固稳定的贸易和投资合作关系。在新加坡开设分行是浦发银行走向国际化的一大里程碑，将有助于进一步促进新加坡之间的贸易和经济往来，加强双方的金融合作关系，也为新加坡多元蓬勃的金融生态环境注入更多活力。她期待浦发银行能与新加坡政府机构如新加坡国际企业发展局合作，强化新中在“一带一路”倡议中的双边合作关系。

China's first cargo spacecraft Tianzhou-1 to be launched

on April 17, 2017, the cargo spacecraft Tianzhou-1 was transferred with a Long March-7 Y2 carrier rocket from the testing center to the launch zone in Wenchang, south China's Hainan Province. China's first cargo spacecraft Tianzhou-1 is to be launched into space between April 20 and 24, according to the office of China's manned space program.

天舟一号运抵发射区择机发射首个太空快递员出征在即

承载着长征七号运载火箭与天舟一号货运飞船组合体的活动发射平台垂直转运至海南文昌发射中心发射区，完成最终状态确认后，火箭加注推进剂，中国首艘货运飞船——天舟一号计划4月20日至24日择机发射。

Starbucks ups employee benefits amid ambitious China expansion plan

Starbucks will provide an insurance plan to help thousands of its employees in China care for their aging parents, as the global coffee chain sticks to its ambitious expansion plan in the traditionally tea-drinking country. Starbucks executive chairman Howard Schultz made the announcement during his China visit this week. According to the company, full-time employees on the Chinese mainland with parents under the age of 75 years can apply for the China Parent Care Program, which covers medical treatment for 30 common critical illnesses among the elderly in China. More than 10,000 parents are expected to benefit, it said.

星巴克为中国员工父母购买重疾保险

星巴克宣布，自今年6月1日起，将为所有在星巴克中国自营市场工作满两年、且父母低于75周岁的全职员工提供父母重疾保险，该计划预计花费数十亿美元，首批可惠及上万名员工的父母。

Chinese company to build rail cars for LA Metro in U.S.

Representatives from China Railway Rolling Stock Corporation (CRRC), Los Angeles County Metropolitan Transportation Authority (LA Metro) sign a contract in Los Angeles, the United States, April 12, 2017. LA Metro on Wednesday signed a 647 million-U.S.-dollar contract to purchase 282 rail cars from CRRC.

中国销售洛杉矶地铁列车

中国中车长客股份公司12日与美国洛杉矶县大都会交通局正式签订地铁车辆销售合同。这是继波士顿地铁项目两个订单之后，中车长客再次收获美国项目，中国地铁列车即将驶入“天使之城”。根据合同，洛杉矶县大都会交通局将以6.47亿美元购买282辆中车长客的地铁车辆，初期先以1.78亿美元购买64辆地铁车辆，用于洛杉矶地铁的车辆更新与线路扩展。除洛杉矶外，中车产品此前已进入美国波士顿、芝加哥、费城等城市。

CHINESE COMPANY ADDING HUNDREDS of INDIANA JOBS



Beijing West Industries, Co. Ltd. (BWI), a premier chassis supplier that designs and manufactures brake and suspension systems for the global automotive market, announced plans to locate its first U.S. production facility in Indiana, creating up to 441 new, high-wage jobs by 2021.

"BWI had options when deciding where to locate its first U.S. facility, and I'm thrilled they chose the Hoosier state," Governor Eric J. Holcomb said. "Indiana is home to the second largest automotive industry in the nation, and we offer companies like BWI close proximity to their customers. As a state, we must continue to provide the skilled workforce, world-class infrastructure and pro-growth tax climate that attracts and supports business and residents."

The Beijing-headquartered company, which serves more than 31 customers around the world and provides the highly-acclaimed MagneRide® suspension system, will invest more than \$80 million to build and equip a new 276,514-square-foot manufacturing facility in Greenfield's Progress Park. The global company, which generated \$2 billion of new business in 2016, plans to break ground on the new facility this summer and launch production in August 2019. With its growth, BWI expects to increase its production by 4 million parts per year to meet the continued demand from its customers, which include Audi, BMW, Ferrari, Ford,

General Motors, Honda and Porsche.

"BWI is excited to be working with the state of Indiana and Hancock County on this extremely important project," said John Beres III, assistant president and global director of BWI. "We are appreciative of the support given to us at the state and local level. This plant will expand our North American footprint to support our U.S. customer base."

BWI employs nearly 5,000 associates across more than 17 facilities around the world, which includes operations in China, Czech Republic, France, Germany, Japan, Mexico, Poland, United Kingdom and the U.S. The company operates seven manufacturing operations and seven technical centers, including one in Dayton, Ohio. The Indiana-based facility will be the company's first manufacturing site in the U.S.

BWI plans to begin hiring for machine operators, maintenance and lab technicians in February 2018. These positions are expected to pay average salaries higher than the state average wage. Interested applicants may apply online at the start of 2018. In addition, the company plans to work with Ivy Tech Community College of Indiana, which is the largest singly-accredited statewide community college system in the nation, to help develop workforce training.

BWI, a joint venture of Shougang Corporation and Beijing Fangshan State-Owned Asset Management,

INDY BUSINESS BULLETIN



St. Vincent to Open 'Long-Time Dream'

St. Vincent Health this week will take the wraps off of an \$8 million space for families of extended-stay patients. Nancy Frick with the St. Vincent Foundation says St. Vincent House will give patient families a place to eat, do laundry, and find "mutual support" with others. It replaces the Marten House Hotel, which closed in January. St. Vincent broke ground last month on a \$13.6 million training center on the old Marten House site.

Officials Break Ground on Terre Haute Race Track

The Terre Haute Quarter Midget Association has broken ground on a new, multi-million dollar race track. The association says the facility, which will include both dirt and paved racing tracks, is scheduled to open this fall.

Kart Racing, STEM Fair Returning to IMS

Purdue University says its electric karting series for high school and college students and M-STEM3 fair will return in May to the Indianapolis Motor Speedway. The school says the events aim to take advantage of Indiana's racing heritage to spark students' interest in STEM fields.

Marian to Offer Online Masters in Teaching Degree

Marian University has announced plans to launch an online Master of Arts in Teaching degree. The program, which will begin this fall, is expected to take 18-24 months for students to complete.

Housing Market Swings Toward Sellers

The Indiana realty manager for Berkshire Hathaway Home Services says the state's housing market has changed dramatically over the last 24-36 months. "New construction is ramping up," says Greg Cooper. "We're getting a lot of new home choices for consumers and a lot of properties that have been dated and somewhat obsolete are getting flipped and redone and re-entering the marketplace." He says nearly a decade after the housing bubble burst, for the most part, it continues to be a seller's market in Indiana.

Lilly Drug Application Rejected by FDA

The U.S. Food and Drug Administration has issued a response letter to Indianapolis-based Eli Lilly and Co. (NYSE: LLY) saying it is unable to approve the new drug application for a once-daily treatment for rheumatoid arthritis. The FDA says additional clinical results are needed before the drug can be approved.

FINANCIALLY SPEAKING

Could 'Tontines' from 1653 fix today's retirement savings crisis?



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.

Traditional corporate pension plans have all but vanished, replaced by 401(k) plans and IRAs. The results under our "do-it-yourself" retirement system are frightening.

According to "The State of American Retirement—How 401(k)s have failed most American workers" by the Economic Policy Institute, the median working-age American family (age 32-61) has a paltry \$5,000 saved in retirement accounts (nearly half of families had \$0). Even those fast approaching retirement (age 56-61) had only \$17,000 saved. With the future solvency of Social Security questionable, it's clear we have a crisis.

Enter exiled Italian banker Lorenzo de Tonti, who first proposed a "tontine" to Louis XIV as a way for the French king to finance his wars. Louis XIV didn't go for the idea right away, but in the end both he and King William of England used tontines to finance wars—against each other.

In his book, "King William's Tontine: Why the Retirement Annuity of the Future Should Resemble Its Past," Professor Moshe Milevsky of Toronto's York University argues what was good for Louis XIV and King William could also be good for us.

A tontine is a pooled investment vehicle where each member contributes the same lump sum. In return, members receive ongoing payments or dividends. As with a single premium immediate annuity, a

Rolls-Royce Lands Major Military Contract

The U.S. Department of Defense has awarded a major contract to Rolls-Royce Corp. in Indianapolis. The more than \$372 million contract calls for engine repair on the KC130-J aircraft for the U.S. Marine Corps and the Korean government.

Gen Con Expanding in Lucas Oil Stadium

The largest gaming convention in North America is about to get even bigger. Gen Con organizers say this year's event, which is celebrating its 50th year, will expand to the field of Lucas Oil Stadium.

U.S. Steel Chemical Spill Leads to Three Beach Closings

The National Park Service has announced a third beach at the Indiana Dunes National Lakeshore has been closed as a result of a hazardous chemical spill at a U.S. Steel plant in Portage. West Beach, the Portage Lakefront and Riverwalk sites and now Cowles Bog Beach are closed until further notice.

Fishers IKEA to Feature Solar Rooftop

Swedish retailer IKEA has announced plans to install what it says will be the largest retail solar rooftop in Indiana at the Fishers store, which is set to open this fall. The 219,000 square-foot, 1.34 megawatt solar array will include nearly 4,000 solar panels.

State Fair Unveils 2017 Theme

The Indiana State Fair says theme for this year's event will be "The Wonderful World of Food." As part of the celebration, the State Fair will highlight 17 foods to celebrate the 17 days of the fair.

New Vermillion Rise Director Pitches Mega Park

A more than 7,000-acre site that was once home to military chemical warfare production and storage operations has turned the page on its deadly history and is open for redevelopment. Bob Grewe, the new executive director of the Newport Chemical Depot Reuse Authority which oversees the property, says the Vermillion Rise Mega Park near Clinton is poised for companies that are "high-intensity" consumers of resources like water, gas, electricity and heavy transportation. The park currently has four tenants, which employ around 100 people, and a recently-opened shell building.

Indy World Trade Center Effort Gets Green Light

The effort to bring a World Trade Center to Indianapolis is moving forward. Inside Indiana Business has learned that the New York-based World Trade Centers Association has granted approval to a group led by former Indiana Attorney General Greg Zoeller and former Marion County Clerk Doris Anne Sadler to develop a proposal for the city to join the global economic development organization and set up an Indianapolis World Trade Center.

member receives payments as long as she lives (i.e. the payments cease at her death). However, with a tontine, the ongoing payments that would have gone to the deceased member are redistributed to the remaining living members.

For example, assume ten members contribute \$10,000 each (\$100,000 total) and the tontine earns and distributes 8% each year (\$8,000). Assuming all 10 members are still living at the end of Year 7, each would have received \$800/year (8% on \$10,000 investment). During Year 8, six members die. The tontine still pays out \$8,000 at the end of Year 8, but it is split among the remaining four members (\$2,000/each). This goes on until Year 11, during which three members die, leaving the sole survivor to collect the entire \$8,000 (80% on \$10,000 initial investment!) for Year 11 and every year until she dies.

One of the key risks in retirement is outliving your money. Life expectancy in the U.S. is just under 80 years today, but what will it be in 20 years? Further, because that figure is just an average, by definition some folks will live longer, perhaps much longer. If you budget to spend your retirement savings down to \$0 by a certain age and live longer, its "Houston, we have a problem."

Investing in a tontine mitigates this longevity risk because the longer you live, the greater your payouts (as other members die and their payments are redistributed). Just as traditional insurance enables risks to be spread among policyholders, a tontine spreads longevity risk among members.

European kings loved tontines because they could offer a lower interest rate, since every member assumed she would be among the last survivors and reap huge payments at the end. Here, Alexander Hamilton (of "Hamilton" fame) proposed a tontine to pay off Revolutionary War debts, but was rebuffed by Thomas Jefferson (huge surprise).

Tontines won't fix our retirement savings crisis, but it's high time for some "outside the box" thinking.

year, the Hoosier state is home to the second-largest automotive industry in the nation by GDP, providing BWI close proximity to a leading automobile industry. As of 2016, China is the state's second largest import country and is ranked fourth largest for exports.

Source: Inside Indiana Business, Alex Brown, Multimedia Journalist

