

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 IAAT friends and readers by contributing to this column.

China's outbound tourism could maintain "explosive growth" in next decade

Chinese outbound tourism has witnessed "explosive growth" in the past 10 years, and the trend is likely to be maintained in the next decade, Ctrip CEO Sun Jie said Monday. Chinese mainland travelers made more than 120 million outbound trips in 2015, 313 percent more than 2005, according to a report released earlier by Ctrip, China's leading online travel agency, and the think tank Center for China and Globalization. In the first half of 2017, 62 million overseas trips were made by Chinese tourists, the China National Tourism Administration said in a statement last month. "About 15 million outbound tourists chose Ctrip annually. Their trips abroad have created, directly and indirectly, up to 100 million jobs worldwide," according to Sun.

未来10年中国出境游将爆发式增长
3日,在金砖国家工商论坛上,旅游业代表携程旅游网(简称携程)CEO孙洁发言表示过去10年和未来10年都是中国出境游爆发式增长的时期,当前中国人的护照持有率还不到10%,预计出境游的热潮将保持稳定增长。作为庞大的全球性消费群体,中国游客也代表着中国软实力的崛起,发挥着民间和平外交的作用。在当前世界经济复苏的背景下,人数众多、消费能力强的中国游客自然也成为世界各国“争抢”的对象。

Ford recalls vehicles in China over steering problem

Ford Motor Company will begin recalling 37,734 imported vehicles due to a steering problem on Nov. 30, China's consumer quality authority said Tuesday. Ford China has filed the plan to recall Explorer sport utility vehicles manufactured between November 2012 and June 2016 with the General Administration of Quality Supervision, Inspection and Quarantine. The steering gear dust cover may become blocked after continuous low-speed driving in dusty conditions, which could lead to contaminants getting into the steering gear unit if the dust cover becomes damaged, the company said.

福特将在华召回逾3.7万进口探险者转向故障

由于转向故障,福特公司宣布将在华召回逾3.7万辆进口车型。福特汽车(中国)公司向国家质量监督检验检疫总局备案了召回计划,将于2017年11月30日开始召回2012年11月12日至2016年6月9日期间生产的进口探险者SUV。召回数量总计37,734辆。在多尘路况和持续低速的共同作用

下,转向齿轮防尘罩容易造成堵塞,使得污染物进入,从而造成损坏。在这种情况下,车轮转动时会发出刺耳的噪音,亦或是发生转向助力器功率下降的情况。为确保汽车性能及正常驾驶,故障维修显得十分必要,福特公司随后将会对召回车辆进行质量检修,更换故障零件。

China's Alipay enters Norway

China's leading mobile and online payment service Alipay launched its operations in Norway on Monday to boost Chinese customers' shopping experience in the Nordic country. "The adoption of Alipay services of both payment and marketing will not only enhance the experience of Chinese consumers but also help Norwegian businesses reach out to their Chinese customers," said Michael Chen, CEO of APay Nordic AS, a promotion and service partner of Alipay in the Nordic countries. Alipay, which currently has over 520 million users and is operated by Ant Financial, part of Alibaba Group, is a powerful combination of payment tools, financial services and marketing platforms.

支付宝登陆挪威市场

中国移动支付系统支付宝4日正式登陆挪威市场,为中国消费者和挪威企业提供便利。支付宝在北欧地区的推广合作伙伴APay Nordic公司首席执行官陈嘉瑜在当天的发布会上说,引入支付宝的支付和营销服务不仅可以优化中国消费者的体验,还能帮助挪威企业加强与中国顾客的联系。挪威创新署负责中国和拉美地区旅游事务的负责人佩尔霍尔斯特说,近年来赴挪威的中国游客数量不断上升,中国已成为挪威旅游业非常重要的市场,引入支付宝将使挪威成为对中国游客更加友好的旅游目的地。

China remains UAE's top trade partner for 3rd year in row

China has remained the top trade partner of the United Arab Emirates (UAE) for three straight years from 2014 to 2016, the Emirates News Agency (WAM) reported Wednesday. The total China-UAE trade amounted to 520.6 billion Emirates Dirhams (AED) (141.74 billion U.S. dollars) during the 2014-2016 period, the report said, quoting statistics from the UAE Ministry of Economy. The China-UAE trade totaled 170.2 billion AED in 2016, down slightly from 174.6 billion AED in 2015 and 175.8 billion AED in 2014.

中国连续三年位居阿联酋第一大贸易伙伴

据阿联酋经济部统计,2014年至2016年间,阿联酋与中国双边贸易额合计达5206亿迪拉姆(约合1418亿美元),中国连续三年在阿联酋主要贸易伙伴排名中位居榜首。阿联酋前五大贸易伙伴依次是中国、印度、美国、沙特和德国。报道称,尽管全球经济处于下行,但阿联酋外贸仍保持着相对稳定,从与中国的贸易看,2014年至2016年三年的双边贸易额分别为1758亿、1746亿、1702亿迪拉姆。同期,与印度的双边贸易额为1288亿、1258亿和1318亿迪拉姆,与美国分别为1111亿、1022亿和993亿迪拉姆,与沙特分别为756亿、838亿和716亿迪拉姆,与德国556亿、571亿和591亿迪拉姆。

DOW, DUPONT CLOSE \$130B MERGER



Edward Breen (left) is chief executive officer of DuPont and Andrew Liveris (right) is CEO of Dow.

DuPont (NYSE: DD) and The Dow Chemical Co. (NYSE: DOW) have officially closed their \$130 billion merger. The combined company, DowDuPont (NYSE: DWDP), will now begin work on spinning out into three, independently-traded entities.

DowDuPont Executive Chairman Andrew Liveris calls the closing "a significant milestone in the storied histories of our two companies."

In a release, he says "the true value of this merger lies in the intended creation of three industry powerhouses that will define their markets and drive growth for the benefit of all stakeholders."

The 18-month spinoff process is expected to result in three companies. The first would be an agriculture company including DuPont Pioneer, DuPont Crop Protection and Dow AgroSciences. It will be headquartered in Wilmington, Delaware, and have operating centers in Indianapolis and Iowa. The second, a materials science company based in Midland, Michigan, will consist of several Dow operating segments as well as DuPont's Performance Materials segment. The third will be a specialty products company involving several DuPont units and Dow's Electronic Materials unit. It will be headquartered in Wilmington, Delaware.

In May, the companies named the board of directors for DowDuPont. Several senior leadership appointments were announced in May 2016.

\$16M APPLIED RESEARCH INSTITUTE MAKING STRIDES



The Applied Research Institute, which connects the state's top military, industry and higher education assets and leaders, has taken its first major steps. The ARI board, comprised of big names like Governor Eric Holcomb, Indiana University President Michael McRobbie, Purdue University President Mitch Daniels and Rolls-Royce North America Defense Aerospace President Phil Burkholder, has approved its first major project. Over the next two years, \$3.5 million will go toward the development of so-called trusted microelectronics, found in most electronic devices and designed to be immune to hardware and software-based attacks and be resistant to counterfeiting.

Energy Systems Network Chief Executive Officer Paul Mitchell, who has coordinated the ARI's formation, says the institute will focus on "key, underlying technologies"

that will have an impact on the state's defense and commercial sectors. These technologies include the aforementioned trusted microelectronics, multi-spectral data fusion and security, high-density power storage and management and advanced material science. The institute says it helps streamline access to over \$1 billion in laboratories, equipment and research facilities at partners such as the Crane Naval Surface Warfare Center, Indiana University, Purdue University and the Battery Innovation Center.

The southwest central-based institute is funded through a \$16.2 million startup grant in late-2015 from the Lilly Endowment Inc. that was administered by the Central Indiana Corporate Partnership's CICP Foundation Inc. The funding was part of a series of grants totaling \$42 million by the Lilly Endowment that included support for the ARI's formation, the launch of Regional Opportunity Initiatives Inc. in Monroe County and the study of potential development of a Rural Center at Indiana University.

In addition to Holcomb, McRobbie, Daniels and Burkholder, the board includes Retired U.S. Air Force General Gene Renuart, who serves as chairman, Bloomington-based Cook Group Chairman Steve Ferguson, Crane Naval

INDY BUSINESS BULLETIN



Distillers Seeking Larger Presence

An organization that supports the burgeoning craft distillery industry in the state has announced two steps forward in its advocacy efforts. The Indiana Distillers Guild has issued a Request for Proposals for lobbying services at the Indiana Statehouse and is launching its inaugural event: the Craft Distillers Festival September 30 at the Circle City Industrial Complex in Indianapolis. The guild currently includes 17 distilleries in 11 Hoosier communities.

U.S. Stamp to Celebrate 'Father Ted'

The U.S. Postal Service has unveiled a stamp honoring long-time former University of Notre Dame President Father Theodore Hesburgh.

Raytheon, AM General Land Military Contracts

The U.S. Department of Defense has awarded military contracts to Raytheon Co. in Indianapolis and South Bend-based AM General LLC. The contracts, totaling nearly \$30 million, call for the production components for military helicopters and Humvees.

Indiana Fire Departments Score FEMA Grants

The Federal Emergency Management Agency has awarded nearly \$1.3 million to four Indiana fire departments. The grants are part of the agency's Staffing for Adequate Fire and Emergency Response program, which will allow the departments to add more firefighters. **Groundbreaking in Sight For \$65M Aquatic Center**

The much-anticipated Elkhart Health, Fitness, Aquatics and Community Center could break ground as early as next month and two key figures behind the \$65 million project say it is about much more than sports. Elkhart-based Insight Strategic Concepts Inc.

IndyGo Seeking Bids For Red Line

IndyGo is looking for contractors to begin work on the Red Line Rapid Transit project. The organization has released construction bid packages and plans to announce the winning bids in early December and break ground on the project in January.

Wind Farm Progressing in Jay, Randolph Counties

A \$200 million wind farm in Jay and Randolph counties is taking shape. NextEra Energy Resources Inc. says the 57-turbine Bluff Point Wind Energy Center will be operational in November and could generate more than \$30 million in local tax revenue over its lifetime.

FINANCIALLY SPEAKING

Is new Greek bond deal "Déjà vu all over again?"



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In August 2015, I wrote about Greece's third trip to the brink of default since 2010, the crisis du jour for world financial markets. Its lenders demanded Greece be held accountable and pay for its spendthrift ways by suffering the consequences of a draconian "austerity program."

I said while Greece was to blame for this "crime," it had a most willing accomplice; the lenders themselves. Fast forward to last month and investors were once again clamoring to buy bonds from Greece. As Mark Twain said, "history doesn't repeat itself, but it rhymes."

Governments and corporations borrow by issuing bonds, which are a contract between the borrower and lender detailing the timing and amount of interest to be paid (i.e. the "coupon") and when the principal amount borrowed is to be repaid (i.e. the "maturity"). Because the amount and timing of the cash flows are contractually set, bonds are referred to as "fixed income" investments.

Although the cash flows are fixed by contract, the price of a bond will fluctuate between the date of issuance and maturity based on interest rate risk (bond prices fall as interest rates rise) and credit risk (the risk the issuer defaults).

Unlike stocks, there is no upside beyond receiving the contracted payments. The key to investing in bonds is determining if you're being paid enough to compensate you for the risk the issuer defaults. The higher the credit risk, the higher the interest rate or yield you should demand.

Some Former Marsh Stores to Carry Needler's Banner

The 11 Indiana Marsh Supermarket locations acquired by Ohio-based Generative Growth II LLC will have a new name. Owners Michael Needler Jr. and Julie Anderson say the Needler's Fresh Market brand will be used for all of its stores in Indiana and three stores in Ohio.

Construction to Begin on Johnson Memorial Project

City and county officials joined executives from Johnson Memorial Health to break ground on a \$47 million medical facility in Franklin. The project will include a new emergency department and outpatient services facility as well as a new rehabilitation center.

Cummins Shows Off Future Tech

Columbus-based Cummins Inc. says it continues to stake a claim as the global engine manufacturer best-positioned to "win" in the future. During a ceremony Tuesday at its Columbus technical center, executives unveiled a variety of natural gas and high-efficiency diesel engines, as well as debuting its fully-electric, class 7 hauler demonstration vehicle. Cummins also says it will introduce a new heavy-duty diesel engine in 2022.

GM Suppliers Adding Hundreds of Jobs

Two General Motors Co. (NYSE: GM) suppliers are expanding their Allen County operations with plans to create more than 300 jobs by the end of 2018. Michigan-based Android Industries and sister company Avancez say they will invest a total of nearly \$15 million in the project. Android Industries says the move will increase its capacity for making components including headliners, radiator modules and consoles.

Visit Indiana Looking For 'Best of Indiana'

The Indiana Office of Tourism Development is looking to Hoosiers to determine the "Best of Indiana." Voting has opened on the Visit Indiana website and visitors will have two months to make nominations in three categories.

State Files Suit Over Sales Tax Law

Indiana Attorney General Curtis Hill has filed a lawsuit asking a court to uphold a bill recently passed by the Indiana General Assembly. House Enrolled Act 1129 requires out-of-state businesses to collect and remit sales and use taxes, just as Indiana-based businesses are required to do.

Harvey Impact to Hit Hoosiers

The director of the Indiana Business Research Center at Indiana University's Kelley School of Business says, while loss of life and property are the worst effects of Hurricane Harvey, the economic impact could linger for months. Jerry Conover says a disruption in oil drilling and refining will not only affect fuel prices, but also the production of components like plastics and fibers that use petroleum as a raw ingredient.

Surface Warfare Center Technical Director Brett North and Bloomington-based Tsuchiya Group North America CEO Melanie Walker. Lilly Endowment CEO Clay Robbins says the endowment is "most pleased that ARI has assembled a board of directors of this caliber and distinction. Their leadership should ensure

a successful launch for ARI."

Energy Systems Network Chief Executive Officer Paul Mitchell, who has coordinated the ARI's formation, says the institute will focus on "key, underlying technologies" that will have an impact on the state's defense and commercial sectors.