

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 to create gigantic DNA database

A super-sized DNA sequencing platform will be built in Nanjing, capital of east China's Jiangsu Province, in order to create a genetic information database for ethnic Chinese, according to the provincial health authority. The DNA project is part of the National Health & Medicine Big Data (Nanjing) Center, a six-billion-yuan project under construction in Nanjing's Jiangbei New Area, said Lan Qing, deputy director of the provincial health and family planning commission. During the first phase, health and medical information on about 80 million people, the equivalent of the population in Jiangsu, will be stored at the center. Lan said. "When the facilities are ready, the designed capacity for DNA sequencing will be up to 400,000 to 500,000 samples per year," he said. The DNA sequencing project will be jointly undertaken by the state-owned Yangzi Group, Southeast University and Nanjing Medical University.

江苏正式启动百万人群基因组测序计划

10月29日,江苏正式启动“百万人群基因组测序计划”,该计划拟在南京江北新区建立超大规模的DNA测序平台和生物医学大数据分析中心,通过队列研究和百万人基因组DNA测序,建立中国人特有的遗传信息数据库。该计划的主要实施内容包括:一是建立6个队列,包括20万新生儿队列、20万儿童与认知发展队列、20万恶性肿瘤队列、5万罕见疾病队列、10万慢性病队列、25万自然人群遗传多样性队列;二是建设全基因组测序及数据中心,建立个体基因组学数据库、生物样本库和生物组学数据库,进行全面的分析和挖掘,发现与疾病相关的基因组变异,解析中国人的遗传多样性;三是加强数据安全与隐私保护,产生的所有数据均集中保存到健康医疗大数据中心,所有权归国家,经国家相关部门批准后由扬子国资投资集团统一管理,整个数据库计划3-4年内完成。

China to apply unified GDP calculation method

China will put in place a unified GDP calculation system in 2019 that will see the National Bureau of Statistics (NBS) take over data collection responsibilities from local authorities. Unified calculation will replace the current system in which national GDP and regional data are calculated separately by the NBS and regional offices. NBS deputy head Li Xiaochao said on Monday that the discrepancy between national and regional GDP data may hinder accurate understanding of the regional economy and harm the government's statistical credibility.

各省份与全国GDP数据将基本衔接

目前,中国地区生产总值汇总数据与国内生产总值数据存在一定差距,在统计实践上是可以接受的,在各国统计工作中也比较常见。不过,如果差距偏大,就不利于正确把握各地经济形势,不利于实施科学的宏观调控,还影响了政府统计公信力。国家做出改革,各省(自治区、直辖市)生产总值核算由现行的省级统计机构核算,改革为国家统计局和省级统计机构共同开展的统一核算。地区生产总值核算工作将按照统一的核算方法,遵循真实准确、规范统一和公开透明的原则,实行统一核算,并统一公布核算结果,实现地区生产总值汇总数据与国内生产总值数据的基本衔接,准确反映地区经济增长的规模、结构和速度。

Baidu, Shouqi Limousine & Chauffeur to develop driverless cars

Chinese Internet giant Baidu and Shouqi Limousine & Chauffeur, an online car rental company, have entered a strategic partnership to speed up the development of driverless vehicles. Baidu will provide Shouqi with its

Baidu Map service, while Shouqi will help Baidu develop high-precision maps for self-driving cars. Baidu will also offer software and hardware solutions such as the "DuerOS" and "Apollo platform" to Shouqi to help it develop autonomous vehicles. DuerOS is an AI platform that provides tools for developers looking to quickly build intelligent devices that anyone can interact with, primarily through voice and natural language conversation, according to Lu Qi, Baidu chief operating officer.

金龙、百度宣布明年联手实现商用无人驾驶汽车量产

1个月前,在百度的Apollo1.5开放技术发布会上,金龙客车基于Apollo1.0组建的一款自动驾驶巴士让全汽车行业看到大型商用汽车实现自动驾驶的可行性。本月17日,百度与金龙客车在北京签署了战略合作协议,计划于2018年实现商用级无人驾驶微循环车的小规模量产及试运营。这次强强联手,可以说将国内自动驾驶量产计划提前了两年,意味着中国客车乃至汽车工业的“智造”进程迈出里程碑式的一步。Apollo是百度发布的名为“阿波罗”的向汽车行业及自动驾驶领域的合作伙伴提供的软件平台,旨在向汽车行业及自动驾驶领域的合作伙伴提供开放、完整的软件平台,帮助他们结合车辆和硬件系统,快速搭建一套属于自己的完整的自动驾驶系统。早在今年4月初,百度的Apollo计划发布时,金龙客车就同百度建立了联系。7月,金龙客车成为百度Apollo生态国内首家商用车战略合作伙伴。2个月后,金龙纯电动微循环公交车实现了在没有传感器的情况下按照路线行驶。

China's bike-share company Ofo rolls into Sydney

China's bike-share company Ofo has launched operation in Sydney on Thursday. Already in 180 cities across 17 countries, the pedal-powered Chinese giant generates over 32 million transactions every day with its 10 million bikes. The company's chief operating officer Zhang Yanqi said Ofo was "thrilled" to bring its service to the Southern Hemisphere for the first time. We are dedicated to making Australian cities as green and livable as possible by providing the ultimate healthy and low-carbon mobility solution," he said.

Ofo小黄车登陆悉尼

日前,中国共享单车Ofo小黄车宣布获得澳大利亚政府运营许可并正式入驻悉尼。10月24日消息,Ofo小黄车近日宣布正式入驻澳大利亚悉尼,并获得新南威尔士州自行车协会Bicycle NSW背书。而Ofo小黄车最先在阿德莱德市成功进行试运营。Ofo在悉尼市的运营将继续遵循“合理布局”的承诺,将首先在悉尼市区投放200辆小黄车,并在接下来几周内临近的瓦维尔利和內西市议会区域进行增投。据了解,Ofo小黄车租金为每30分钟1澳元(约合5.1808元),一次骑行最多5澳元(约合25.904元),没有押金或会员费。该项目即将启动,届时将会在街道上看到Ofo工作人员向用户介绍小黄车,以及它的使用和停放说明。另外,用户还可以通过手机APP报告丢失的头盔或者有问题的单车,并且所有小黄车上都清楚留下了24小时热线电话号码。

China working on building free trade ports

The Ministry of Commerce is working on the building of free trade ports in China's free trade zones (FTZs), a spokesman said Thursday. China will grant more power to pilot free trade zones and explore the opening of free trade ports, according to a key report delivered last week at the 19th National Congress of the Communist Party of China. The ministry should "follow higher standards and push for more comprehensive and deeper opening up," spokesman Gao Feng said at a press conference Thursday. "The ministry is currently working with Shanghai Municipality and other departments on making the plan [for building free trade ports]," Gao said.

中国增设免税区

商务部发言人周四表示正在开展中国自由贸易区自由贸易港口建设工作。根据中国共产党第十九次全国代表大会关键报告,中国将给予试点自由贸易区更多的权力,开拓自由贸易港口。发言人高锋星期四在新闻发布会上说,该部门要“按照更高标准,推动更全面,更深入的开放”。该部正在与上海等部门制定自主贸易港口建设计划。

INDY BUSINESS BULLETIN



IMPA to Lower Wholesale Electric Rates

The Carmel-based Indiana Municipal Power Agency has announced plans to lower wholesale electric rates in 2018. The utility says rates for more than 60 communities in Indiana and Ohio will drop an average of 5.25 percent beginning in January.

Purdue Startups Staying Put

Purdue University says record startup activity on the West Lafayette campus is creating a pipeline for the Indiana economy. The Purdue Foundry announced last week that it has launched 165 startups since opening in 2013, 100 of them with Purdue intellectual property. "Eighty percent of those companies that we are working with have stayed here in Indiana," said Purdue Director of Innovation and Entrepreneurship Greg Deason, who adds the new innovation and competition create an "economic dynamism" that stimulates additional job creation.

Merchants Bancorp Begins IPO

Carmel-based Merchants Bancorp (Nasdaq: MBIN) has begun its Initial Public Offering. The parent of Merchants Bank of Indiana expects the IPO to close Tuesday and says it could raise up to \$100 million.

Workers' Comp Medical Payments Decrease

A study by the Massachusetts-based Workers Compensation Research Institute says medical payments per workers' compensation claim in Indiana have decreased for the first time in more than 10 years. The study says the decrease, recorded from 2014 to 2015, was the highest of the 18 states evaluated.

Hoosier Astronaut Joins Space Science Institute

The Link Observatory Space Science Institute in Morgan County has announced astronaut and Indiana native David Wolf will join the institute as chief science officer. Wolf, who has logged more than 4,000 hours in space, will begin his new role in January.

Notre Dame Announces Historic Gift

The University of Notre Dame has announced the largest contribution of its kind in the school's history. Kenn Ricci, a Notre Dame alumnus who also serves on the board of trustees, and his wife, Pamela, have made a \$100 million unrestricted commitment to the university. Notre Dame says the gift is being managed through a Philanthropic Succession Partnership.

Anthem Announces Acquisition, Profit Increase

Indianapolis-based Anthem Inc. (NYSE: ANTM) is reporting third quarter net income of \$746.9 million, compared to \$617.8 million during the same period the previous year. The company has also announced the acquisition of privately-held Medicare Advantage organization America's 1st Choice.

INDIANA SIGNS AGREEMENT WITH INDIAN TECH HUB

Indiana has established a sister-state relationship with Karnataka in India. The Indian state is home to companies including Infosys and Wipro, which acquired Indianapolis-based Apprio last year in a \$500 million deal.

The agreement, signed as part of Governor Holcomb's economic development mission to India, aims to strengthen economic, educational and cultural ties.

Holcomb signed the agreement with Karnataka Minister for Information Technology, Biotechnology and Tourism Priyank Kharge.

Karnataka capital Bangalore is known as a tech hub in India. Infosys, which in May announced it would bring a tech and innovation hub along with 2,000 planned new jobs to central Indiana, is headquartered in the

Partnership Seeks 'Vital' School Broadband

Indiana has launched a partnership with a national nonprofit aimed at bringing high-speed Internet to every classroom in the state. Superintendent of Public Instruction Jennifer McCormick says nearly 40,000 students are currently not connected, which is "not acceptable in this day and age." She says Education SuperHighway will work with the Indiana Department of Education and local schools to determine how to increase digital access and capacity with available state and federal funds.

Cook Pharmica Sale Complete

Bloomington-based Cook Inc. has completed the \$950 million sale of its biopharmaceutical subsidiary, Cook Pharmica, to New Jersey-based Catalent Inc. (NYSE: CTLT). Cook Pharmica will now be known as Catalent Bloomington.

Lilly Mulls Elanco Future, Reports Profit

Indianapolis-based Eli Lilly and Co. (NYSE: LLY) says it is "reviewing strategic alternatives" for Elanco, its animal health division, with options ranging from an initial public offering to a sale. The company says it will update the process no later than the middle of 2018. Lilly today reported third quarter net income of \$555.6 million, compared to \$778 million during the same quarter last year. The company says revenue increased 9 percent over the third quarter last year.

Survey Shows Broad Support For Tax Hike

A study out of Ball State University suggests a majority of Indiana residents approve of a gas tax hike to help build and fix the state's roads. The Indiana General Assembly this year passed a road funding measure that included a 10 cent-per-gallon increase. While Bowen Center Managing Director Charles Taylor said he was expecting majority support, the consistent level across demographics took him off-guard.

Lilly Announces \$72M Indy Investment

Indianapolis-based Eli Lilly and Co. (NYSE: LLY) has announced plans to invest \$72 million in an insulin manufacturing project at one of its Indianapolis facilities. The company says the investment will replace an existing insulin vial filling line and allow it to meet growing demand for its insulin products. The project is part of the \$850 million in U.S. investments that Lilly announced in March. Chief Executive Officer David Ricks says the move "reinforces our ongoing commitment to the U.S. market and in Indianapolis specifically."

Cummins, Others Land 'Monumental' Honors

The Cummins Inc. (NYSE: CMI) \$30 million global distribution business headquarters in downtown Indianapolis earned the top honor at Thursday's Monumental Awards gala. The ceremony, organized by the Indy Chamber and Society for Marketing Professional Services, honors achievements in areas including architecture, design and neighborhood revitalization.



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Richard-Thaler/dp/039335279X, which traced his scholarly journey, much of which wasn't academic.

Thaler and Wharton's Cade Massey wrote "The Loser's Curse: Overconfidence vs. Market Efficiency in the NFL Draft" in 2010 http://www.hockeyanalytics.com/Research_files/NFL_Draft.pdf because they were fascinated by teams paying a king's ransom of current and future draft picks to move-up (like the Redskins in 2012 and Bears this year).

They cited five factors, also applicable to investing. First, people are overconfident in their abilities to differentiate player potential (i.e. the first QB selected ends up better than the

second only 56% of the time). Second, people make forecasts that are too extreme (i.e. "the next Peyton Manning"). Third, the "winner's curse" says the one bidding highest for a coveted player is likely overpaying. Fourth, the "false consensus effect" means a team falling in love with a certain player "knows" every other team also wants him. Fifth, teams are afflicted with a "present bias," obsessing over the short-term and irrationally valuing current year picks much more highly than future draft picks.

Their advice: trade down in this year's draft and trade picks this year for better picks next year.

FINANCIALLY SPEAKING

Nobel winner: We're more Homer Simpson than Mr. Spock



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.kirrmarch.com.

In classical economics, individuals are highly intelligent, perfectly rational and capable of unemotionally analyzing all relevant data. They possess tremendous self-control, enabling them to make optimal decisions, unburdened by biases or other "supposedly irrelevant factors," or SIFs. Picture Mr. Spock in "Star Trek."

In reality, these "Econs" are mythical characters existing only in theory. Not only are humans highly emotional and lacking in self-control, they are influenced by all sorts of biases and SIFs. They act on biases in irrational and predictable ways, often leading to poor decisions. In fact, we're more like Homer Simpson.

So says Richard Thaler of the University of Chicago's Booth School of Business (my alma mater), a pioneer in the field of behavioral economics, the study of how psychology and economics intersect. He was awarded the Nobel prize in economics on October 9 because "by exploring the consequences of limited rationality, social preferences and lack of self-

control, he has shown how these human traits systematically affect individual decisions as well as market outcomes."

If irrational behavior can be predicted, then it's possible to design interventions or "choice architectures" to "nudge" people to make better decisions. That's the insight of Nudge--Improving Decisions About Health, Wealth and Happiness https://www.amazon.com/Nudge-Improving-Decisions-Health-Happiness/dp/014311526X, which Thaler wrote with Harvard's Cass Sunstein in 2009.

We know we need to save for retirement, so why is low savings a looming crisis?

Thaler and UCLA's Shlomo Benartzi devised the "Save More Tomorrow" plan http://faculty.chicagobooth.edu/richard.thaler/research/pdf/smartjpe.pdf to increase participation and savings rates in company retirement plans. Participation increased four-fold with the simple nudge of changing to automatic enrollment (with opt-out option) from the traditional opt-in requirement. Savings rates were also boosted by enabling participants to elect today to sock-away higher proportions of future raises.

This protects them from spending and becoming dependent on higher earnings, leading to what my friend Peter Dunn (aka "Pete the Planner") refers to as the insidious, retirement-wrecking disease of "lifestyle creep." In 2015 Thaler followed-up with Misbehaving--The Making of Behavioral Economics https://www.amazon.com/Misbehaving-Behavioral-Economics-