

## CHANGING FORTUNES

Industry set to rebound in the second half > p13

## DRESS FOR SUCCESS

Sportswear makers try to cash in on Olympic publicity

> OLYMPICS, PAGE 5



## A MAN OF INSIGHT

New York-based banker and author has an insider's understanding

> WORLD, PAGE 22



OLYMPIC SPECIAL

# CHINADAILY

中國日報

THURSDAY, JULY 26, 2012 chinadaily.com.cn

Issue No 3 £1



## FLYING START FOR HOST

PHOTO BY LUCA BRUNO / ASSOCIATED PRESS

Britain's Stephanie Houghton (center) celebrates after scoring with her teammates during the women's Group E soccer match between Britain and New Zealand at the Millennium Stadium in Cardiff, Wales, at the London Olympics on Wednesday. Britain won the game 1-0. Brazil beat Cameroon 5-0 in a later match.

# All that glitters is not gold for China

Official expects top showing at Games but reluctant to tip medal count

By CHEN XIANGFENG

in London  
chenxiangfeng@chinadaily.com.cn



1 DAYS TO GO

After a whopping 51 gold medals in Beijing, how many can China expect in London?

The spotlight on the medal race at the Games is firmly focused on the battle between China and the United States.

However, one of the China sports delegation's chief officials refused to pick a number.

"I have made predictions before and they have always turned out wrong," said the delegation's deputy chef de mission, Xiao Tian, on Wednesday during a news conference.

"We all know of the so-called Pele jinx in the soccer field. I do not want to have a similar reputation," he said of the former Brazilian star's habit of picking the wrong soccer team to win major events.

Xiao said statistics showed over the past five Olympic Games that the number of medals decreased by about 30 percent for an Olympic host in the following Games.

"Four years ago, we were the host. We had 51 gold and 100 medals. You can imagine the difficulties we will face this time in London," he said.

Also, this London team is young and inexperienced.

China has sent 171 male and 225 female athletes to London Games and they have an average age of 24.6.

"Most of them are young and 244 athletes are taking part in such an important event for the first time. Among them, only 29 won gold medals in Beijing," Xiao said.

He also expressed concerns

about China's chances in team sports.

"What concerns me most is our level in team sports. We have five teams in these sports and there is only one men's team—in basketball. We have no soccer teams.

"If we cannot catch up in these globally influential sports, it will affect our image as a big country in sports. In these sports, the US is stronger than us."

Following on from Beijing, Xiao urged the Chinese athletes to enhance their friendships with international opponents to help promote the Olympic movement.

"We must develop the Olympic spirit and show our sportsmanship. It's a great platform to show individual charm as well as the nation's image."

Also, as China's deputy sports minister, Xiao knows the importance of enticing more young people to get involved in sports.

"Athleticism is a part of sports. It's also important to have everyone to play sports in daily life. We will send our athletes into communities after Olympic Games and spark people's passion for sports."

"Just like the London Olympic slogan says, 'Inspire a Generation.'"

## In this issue

NEWS ..... 2, 8, 9, 11, 12  
OLYMPICS ..... 3-6  
COMMENT ..... 7  
COVER STORY ..... 10  
BUSINESS ..... 13-17  
LIFE ..... 18-21  
WORLD ..... 22-23

## Contacts

LONDON:  
Phone +44 (0)207 398 8270  
Fax +44 (0)207 398 8260  
Feedback views@mail.chinadailyuk.com  
Circulation & Advertising enquiries@mail.chinadailyuk.com  
BEIJING:  
News (86-10) 6491-8366  
Subscription (86) 400-699-0203  
Advertisement (86-10) 6491-8631  
E-mail editor@chinadaily.com.cn  
iPhone app chinadaily.com.cn/iphone



9 770253 954047  
国际标准编号:ISSN0253-9543

# CIC hit by global conditions

Sovereign wealth fund suffers worst performance since 2008, report says

By WEI TIAN in Beijing and DIAO YING in London

China Investment Corp, the country's sovereign wealth fund, reported an annual loss of 4.3 percent in its overseas investment portfolio in 2011, due largely to the sluggish global economy.

It was the first loss since 2008 when the financial crisis hit, the company said in its annual report on Wednesday.

"Like many major sovereign wealth funds and global institutional investors, overseas

investment was affected by an overall downturn in the global market," CIC spokesman Wang Shuilin said at a news conference in Beijing.

A case in point is Singapore's sovereign wealth fund, which has seen profits shrinking by 16 percent in the last fiscal year, with annual returns down from 4.6 percent to 1.5 percent.

CIC Chairman Lou Jiwei said the global economy remains in a fragile state.

"CIC will adhere to its prudent investment approach," and achieve good financial returns

within acceptable boundaries of risk, he said in the preview of the annual report.

Total assets of CIC at the end of last year, including Central Huijin Investment, stood at \$482 billion, 17.7 percent up from the previous year. The company reported a net profit, for domestic and overseas investments, of \$48.4 billion, down 6 percent year-on-year.

Investment returns in 2010 reached 11.7 percent and cumulative annualized returns stood at 3.8 percent since CIC was established in September 2007.

The loss in investments, according to Wang, was mainly attributed to the fluctuating value of a number of assets,

especially in the financial and energy sectors, the two largest components in the portfolio.

Financial assets accounted for 19 percent of investments and energy accounted for 14 percent.

Meanwhile, "some of the projects CIC invested in are still at the early stages," and these will mature, Wang said.

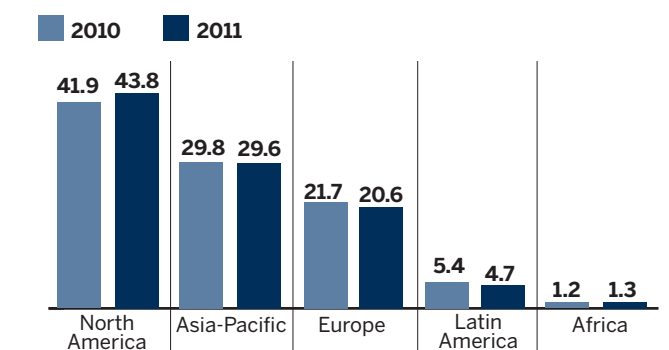
According to the report, CIC stressed its long-term vision by extending its investment horizon from five to 10 years last year. The company made adjustments to its asset allocation accordingly.

Long-term investments account for 31 percent in its global investment portfolio.

CIC also adjusted its orga-

## INVESTMENT BY REGION

Unit: %



Source: CIC annual report 2011

GUILLERMO MUNRO / CHINA DAILY

nizational structure in 2011 by establishing CIC International, which specialized in the management of overseas investments. In December, \$30 billion was injected into CIC International in a bid to enhance its role as a vehicle to diversify foreign exchange holdings.

China's investments overseas

remain promising in the long term, experts said.

Ding Zhijie, dean of the School of Banking and Finance with the University of International Business and Economics, said direct equity investment may be a better option than financial assets in the long term.

SEE "CIC" PAGE 2