

Soaring sales of 'duty-free' boost profits

Beijing Capital International Airport reports earnings rose by 40 percent

By ZHU WENQIAN
zhuwenqian@chinadaily.com.cn

Beijing Capital International Airport Co Ltd has seen significant revenue growth from its non-aviation income, thanks to the booming business of duty-free stores, driven by a constantly growing number of international travelers and their strong spending power.

In the first half of this year, the airport netted sales revenues of 4.61 billion yuan (\$700 million), an 8.8 percent increase year-on-year. Of that total, non-aviation income reached 2.16 billion yuan, jumping 13.5 percent over the previous period, according to its latest earnings report.

The airport said in its report that income growth of the non-aviation sector mainly comes from the growth of duty-free retailing business. In addition, income from advertising and catering has

also helped to boost the airport's revenue growth. The increasing number of international travelers has resulted in the launch of more brands and stores, it said.

This year, the Chinese government started to allow airports to run open tenders for duty-free concessions. By June 30, the tender result released and showed that China Duty Free Group won the bid of running duty-free stores at the airport's Terminal 2, and Sunrise Duty Free won the bid of Terminal 3. Both companies will get the management rights for eight years.

Under the new agreements, duty-free operators at Beijing airport will share about half of their sales revenues with the airport operator, compared with 20 percent earlier.

"With the constant increase of Chinese tourists who travel abroad, it's very necessary to launch more duty-free stores



A passenger waits for his flight at Beijing Capital International Airport. XINHUA

“With the constant increase of Chinese tourists who travel abroad, it's very necessary to launch more duty-free stores ...”

Zhu Weilong, an analyst at Kent Ridge Consulting

at those airports in major and second-tier cities," said Zhu Weilong, an analyst at Kent Ridge Consulting.

"Those consumers who fly abroad and fly back have the shopping demand and abilities. There is a significant growth potential of the duty-free business at the airports in China."

By 2020, the number of outbound travelers is expected to

exceed 200 million, surging 63.9 percent over 2016, according to the forecast of China National Tourism Administration.

Meanwhile, the Hong Kong-listed Beijing Capital International Airport achieved net profits of 1.26 billion yuan in the first half, surging 39.6 percent year-on-year.

Japan's Daiwa Institute of

Research Group said in its report that Beijing Capital International Airport performed outstandingly in the first half year. For the full year, it has raised its forecast of the earnings per share for 12 to 13 percent.

For 2019, Daiwa cut its forecast of the earnings per share for 8 percent, as it expects the new Beijing airport facility is likely to have an impact on the performance of the old capital airport.

In the first half of 2017, 291,431 flights took off and landed at Beijing Capital International Airport, a 2.11 percent dip year-on-year. During the period, the passenger throughput reached 46,626,794, edging up 2.28 percent over the previous period.

Telescope to unlock secrets of universe

By MASI
masi@chinadaily.com.cn

Many people have an inner desire to peer into space and seek for origins of the universe. But few are as talented and lucky as Li Di, who gets to fulfill that desire as deputy chief engineer of the world's largest 'ear' for listening to signals from the cosmos.

Li is working on China's gigantic 500-meter Aperture Spherical Telescope project, also known as FAST, which is the world's largest radio telescope.

Located in a valley deep in Southwest China's mountainous Guizhou province, FAST features a reflector as large as 30 soccer pitches. It is built to seek gravitational waves, detect radio emissions from stars and galaxies, and search for signs of intelligent extraterrestrial life.

500 meters

the diameter of China's gigantic Aperture Spherical Telescope project, known as FAST

"FAST is a once-in-a-life opportunity. I can't miss it," Li said in an interview with Science and Technology Daily. He decided to come back to China in 2012, despite his achievements in the United States, where he won the outstanding team award at the National Aeronautics and Space Administration, or NASA, for his contribution to the Herschel Space Observatory.

"The larger the telescope, the better it is. FAST is so huge but it also features high accuracy, which can help us see farther. The project is in line with my academic interests and technological background," Li said.

FAST is 500 meters in diameter and made up of 4,450 panels. It overtook Puerto Rico's Arecibo Observatory, which is 305 meters in diameter. It is 10 times more sensitive than the steerable 100-meter telescope

near Bonn, Germany. The project, with an investment of 1.2 billion yuan (\$196 million), was completed in September 2016. It is under debug, a process that may take at least two to three years, in accordance with international practice.

To better listen for faint signals that other equipment can't pick up, including signature gravitational waves from magnetized stars that disturb radio signals, FAST is built in a karst cave far from cities to create a sound electromagnetic wave environment.

But the remote location has led to many troubles for Li and his peers. They spend about four months a year in mountains and have no choice but to live in a two-story prefabricated house, with no proper sanitation facilities.

Under such a harsh environment, the scientists, however, have managed to achieve an engineering breakthrough.

"How to ensure low loss when information is transmitted under dynamic conditions is a technology patented by the United States. We can't access it but rely on self-innovation," Li said.

Also, his team developed high-strength, anti-fatigue cables, far better than the normal industrial standards.

"All efforts are worthwhile. Once debugging is finished, FAST is expected to double the number of known pulsars (pulsating radio stars) in the world and tenfold the number of known galaxies in 10 to 20 years," Li said.

Even in the calibrating phase, tests have already pulled in data from a pulsar star 1,351 light-years away. "FAST will maintain the world leading position in 10 to 20 years in terms of the planned performance indicators," Li added.

Guizhou, where FAST is located, also plans to build an artificial intelligence-enabled computing center, to help process data from the radio telescope, said Liao Fei, head of Guizhou Provincial Science and Technology Department.

Tencent reaches for the sky by investing in 'flying taxi' firm

FRANKFURT — Lilium has raised a second \$90 million round of financing from top tech investors as it moves ahead to develop a five-seater "flying taxi".

The German start-up has Silicon Valley-scale ambitions and is one of the best-funded electric aircraft projects to date after attracting the attention of Tencent Holdings Ltd.

Last year, Lilium received \$11.4 million in funding and has emerged as one of Europe's hottest startups for attempting

to solve hard physics problems for a new category of small vertical takeoff jets.

The company announced a new funding round on Tuesday, led by Chinese internet giant Tencent.

Other key investors are LGT Group, the largest family-owned investment firm in Europe; Atomico, a top European venture capital firm; and Obvious Ventures, whose co-founder, Evan Williams, was also involved in Twitter.

In April, Lilium revealed it

was developing a five-seater "flying taxi" after mounting successful test flights of a two-seater jet.

The version was capable of a mid-air transition from hover mode, like drones, to wing-borne flight, like conventional aircraft.

Wing-borne, electric-powered flight allows commuter aircraft to travel five or six times the distance of drones, Lilium stated.

A 20-kilometer trip from Manhattan to JFK Airport in

New York would take as little as five minutes, the company estimated.

"The concept goes far beyond what you typically see from German startups," said Remo Gerber, the former European managing director of online taxi firm Gett, who was named Lilium's chief commercial officer last month.

Its ambitions put it more in line with companies such as Tesla Inc or Google than the e-commerce apps, which currently dominate the startup

scene in Berlin.

Lilium plans to use the fresh funding to dramatically expand hiring to carry it through the next development stages of its five-seater electric jet.

This will buy it time to meet stringent regulatory approvals.

With a staff of 70, the company has roughly as many openings as current employees, and plans to scale up hiring, Gerber pointed out.

REUTERS

Daily Stock Market Performance



Gainers and Losers

Index	Close	Daily % Chg	Index	Close	Daily % Chg
GAINERS			LOSERS		
Shanghai Stock Exchange			TVZone Media Co Ltd	40.64	-9.00
Metallurgical of China	5.58	10.06	Chongqing Zhongchuan PhPckgn	40.79	-6.81
Tanyuan Technology Co	41.01	10.01	Anhui Trms Cnsltng & Dsgnl	32.13	-6.33
Ningbo Veken Elite	10.78	10.00	Hangzhou Freely Comm	59.32	-5.99
Changyuan Group Ltd	20.79	10.00	Changzhou Yon Pb Bcyl Sys	81.91	-5.68
Baotailong New Matr	12.82	9.95	Qibu Co Ltd	27.00	-5.53
Cangzhou Dahua Co Ltd	56.71	7.85	Ningxia Jiaze Renewables	10.86	-5.07
Ningbo Yunsheng Group	20.41	6.80	Jonjee Hi-Tech Ind & Comm C	21.10	-3.87
Fushun Special Steel	7.39	6.79	Zhejiang Baida Prec Mfg	22.99	-3.85
Hubei Kaile Sci & Tech	32.99	6.76	Guizhou Trms Pnng Srvy & Ds	57.80	-3.59
CEC CoreCast Corp Ltd	39.94	6.76			
Shenzhen Stock Exchange			Beingmate Baby & Child Fd	10.24	-4.92
Royal Group Co Ltd	9.54	10.03	Yunnan Copper Co Ltd	15.77	-2.95
Eve Energy Co Ltd	26.35	10.02	Nanji E-Commerce Co	14.40	-2.90
All Winner Technology	34.18	10.01	First Capital Sec	10.97	-2.83
Thunder Software Tech	45.83	10.01	Luxshare Prec Industry	21.00	-2.78
Beijing Easpring Mtrl Tch	31.11	10.01	GoerTek Inc	21.90	-2.28
Zhuhai Orbita Control Eng	17.83	9.99	Shenzhen Everwin Prec Tch	36.00	-2.23
Shenzhen Tat Fook Tech	18.73	9.98	Huadong Medicine Co	47.15	-2.12
Feitian Technologies	19.95	9.98	Huolinh Opnct Clnstryl	13.60	-2.09
Chinese All Digi Publishng	15.99	9.97	Jointo Enlnvst Co Hebei	12.44	-2.05
Westone Info Industry	20.60	9.75			
Hang Seng			Wharf Holdings Ltd	73.85	-3.65
Kunlun Energy Co Ltd	7.60	2.84	AAC Technologies	139.10	-3.27
Hengan International	68.30	1.64	China Mengniu Dairy Co	18.86	-1.98
Geely Automobile	19.32	0.94	WH Group Ltd	8.17	-1.57
Tencent Holdings Ltd	324.20	0.75	China Life Insurance	24.25	-1.42
Hang Seng Bank Ltd	181.00	0.67			

Cross Currency Rates

	USD	EUR	CNY	HKD	GBP	KRW	BRL	RUB	JPY	INR	CAD
USD		1.194	0.153	0.128	1.304	0.001	0.321	0.017	0.009	0.016	0.808
EUR	0.837		0.128	0.107	1.092	0.001	0.269	0.015	0.008	0.013	0.676
CNY	6.527	7.796		0.834	8.513	0.006	2.094	0.114	0.060	0.102	5.273
HKD	7.825	9.346	1.199		10.205	0.007	2.510	0.136	0.072	0.122	6.321
GBP	0.767	0.916	0.118	0.098		0.001	0.246	0.013	0.007	0.012	0.619
KRW	1135.550	1353.770	173.979	145.127	1479.800		364.183	19.781	10.446	17.702	916.610
BRL	3.117	3.714	0.478	0.398	4.066	0.003		0.054	0.029	0.049	2.518
RUB	57.364	68.512	8.789	7.331	74.818	0.051	18.404		0.528	0.898	46.338
JPY	108.680	129.810	16.653	13.890	141.750	0.096	34.867	1.895		1.694	87.799
INR	64.146	76.627	9.828	8.198	83.659	0.056	20.578	1.118	0.590		51.818
CAD	1.238	1.479	0.190	0.158	1.615	0.001	0.397	0.022	0.011	0.019	

Data provided by Bloomberg

International Stock Markets

Index	Daily Close	% Chg	YTD % Chg
Hang Seng Index	27,613.76	-0.5	
Hang Seng China Ent Index	11,128.77	-0.6	
TAIEX Taiwan Stock Index	10,547.86	-0.7	
Nikkei 225	19,357.97	-0.1	
Sensex	31,700.14	-0.3	
KOSPI	2,319.82	-0.3	
S&P/ASX 200	5,689.73	-0.3	
New Zealand 50 Gross Index	7,790.21	0.2	
Straits Times Index STI	3,228.02	-0.7	
Bangkok SET Index	1,618.87	-0.1	
Bursa Malaysia KLCI Index	1,770.76	0.1	
VN-Index	793.55	0.2	
Dow Jones	21,753.31	-1.1	

Commodities

Commodity	Close	Daily % Chg	YTD % Chg
Brent Crude Oil (USD/bbl)	53.56	0.3	
Gold (USD/t oz)	1344.50	1.1	
Silver (USD/t oz)	17.94	0.7	
Copper (USD/lb)	3.13	0.3	
Aluminum (USD/MT)	2079.50	-1.2	
Corn (USD/bu)	3.59	0.9	
Wheat (USD/bu)	4.43	1.0	
Soybeans (USD/bu)	9.69	2.0	
Coffee (USD/lb)	1.28	0.2	
Sugar #11 (USD/lb)	0.14	-0.4	
Palm Oil (MYR/MT)	2754.00	-0.5	

ETFs

EQUITY ETFs	Ticker	Close	Daily % Change
China 50	510050	2.76	-0.65
China AMC CSI 300 Index	510330	4.18	-0.12
China CSI 500	510500	6.95	0.55
China SME	159902	3.62	0.06
China Universal CSI Consumer Staples Index	159928	1.88	-0.63
E Fund ChiNext Price Index	159915	1.81	0.95
E Fund CSI 300	510310	1.64	-0.12
E Fund CSI 300 Financials ex Banks Index	512070	2.05	-0.68
E Fund Hang Seng China Enterprises Index	510900	1.19	-0.34
E FUND SZSE 100 INDEX FUND	159901	4.69	0.00
Fortune SGAM Xianjin Tianyi Money Market	159919	100.01	0.00
Guangfa CSI 500	510510	1.83	0.49
Guotai Shanghai Stock Exchange 180 Financial Index	510230	6.29	-0.73
Harvest CSI 300 Index	159919	4.21	-0.12
Huatai-Pinebridge CSI 300	510300	3.91	-0.31
Shanghai SSE180	510180	3.49	-0.26
SSE Pledge Urban Investment Bond	511220	93.49	0.05
Yinhua Traded Money Market Fund	511880	102.47	0.01