

ONE US\$ DEQUALS

RMB 6.3690 HKD 7.7602 JPY 78.11 EUR 0.8115 GBP 0.6531 AUD 1.0361 INR 55.98 CAD 1.0387 KRW 1182.75 THB 31.89 BRL 2.0214

briefly

Direct currency trading begins

China and Japan started direct currency trading on Friday as Beijing marked another stage on its journey to foster the yuan's use internationally in line with its growing economic clout.

Market participants can now swap Japanese yen for Chinese yuan without having to use the US dollar as an intermediary currency, making foreign trade settlement more convenient and cutting transaction costs.

Lead battery crackdown

China issued a new regulation that will cut the output capacity of lead-acid battery makers by as much as 30 percent as the country continues its crackdown on lead poisoning, an industry group said.

The rule could reduce exports of batteries and further cut the number of manufacturers from about 300 now, Cao Guoqing, deputy secretary-general of the China Battery Industry Association, said on Thursday.

Carrefour to hire store managers

France's Carrefour SA China plans to recruit more than 20 store managers from among Chinese MBA students to support its rapid expansion plans in the country. It will recruit high-caliber MBA students at the "Carrefour China Day", which will be sponsored by the Guanghua School of Management of Peking University.

AGENCIES — CHINA DAILY

Housing prices at 16-month low

Preferential taxes and low interest rate attract more buyers to market

By WEI TIAN
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China's house prices fell to a 16-month low in May as officials pledged to keep property curbs that have sapped demand, according to SouFun Holdings Ltd, owner of the nation's biggest real estate website.

REALTY House prices declined 0.3 percent from April to 8,684 yuan (\$1,364) per square meter, SouFun said in an e-mailed statement on Friday, based on its survey of 100 cities in the country.

The figure was the lowest since January last year and the ninth month-on-month decline. It is also the longest decline since SouFun started compiling the data in July 2010.

Housing values dropped in 73 cities while 26 posted gains, and one reported no changes in residential prices, SouFun said. Prices in the 10 biggest cities, including Beijing and Shanghai, retreated 0.5 percent from April, and dropped 3.2 percent year-on-year.

The Ministry of Housing and Urban-Rural Development said last month China will maintain its curbs on the housing market.

The ministry's statement came after the State Council

pledged in April to stick with existing property controls implemented over the past two years, which have tightened restrictions on down payments and mortgages and imposed limits on the number of homes families can buy.

However, as a series of weaker-than-expected economic indicators aroused fears of a faster-than-expected slowdown, some analysts are expecting the authorities will ease controls on the property market, which is still driver of many industries in the world's second-largest economy.

Second- and third-tier cities have already been fine-tuning local rules to stimulate demand, including lowering payment requirements for first-time buyers and offering favorable interest rates.

Property developers in Beijing sold 34.2 percent more new homes in May than in April, according to Bacic & 515 Group, Beijing's second-biggest real estate brokerage.

Chen Liang, an analyst with Bacic & 515, said though the curbs remain, preferential taxes and lower interest rate have encouraged more potential home buyers to take the plunge.

He estimated that supply and demand will remain robust in Beijing this month since now is the traditional time for sales-

persons to boost their performance in the middle of the year.

The central government, while maintaining its housing curbs, has eased rules for lenders. The central bank lowered the amount of cash that banks must set aside as reserves three times since last November to boost liquidity and spur loan growth. The latest move, in May, freed up 400 billion yuan for loans.

"The external economic environment is deteriorating and it is affecting China's property market," said Simon Lo, Hong Kong-based executive director of research for Asia at realtor Colliers International.

"The Chinese government probably realizes this and we're expecting them to slowly relax the curbs in the second half."

However, Zhang Dawei, an analyst with Centaline Beijing, said though an uptick in sales volume may lessen worries about a slump in housing prices, values will remain flat considering the still massive stocks and shrinking investments in the upper stream.

According to the National Bureau of Statistics, investment growth in property development experienced its eighth year-on-year decrease in April. Meanwhile, the real estate confidence index was also at its lowest level in nearly three years.

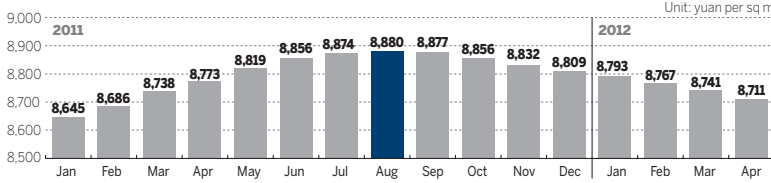
"Considering the massive construction of affordable housing projects, investments



ZHANG BIN / FOR CHINA DAILY

People inquire about the price of houses at a fair in Fuzhou, Fujian province, on May 26. China's house prices fell to a 16-month low in May.

HOUSING PRICES IN 100 CHINESE CITIES



Source: Wind

SHEN WEI / CHINA DAILY

in commercial property have shown an obvious recession already?"

Li Yamin, a property market analyst with UBS AG, predicted that the sales volume in May will increase by 20 percent from the previous month.

"The government already has

major projects to stimulate the cooling economy, which will delay policy relaxation in the property market. However, if these measures fail to have their desired effect, the chances will increase of easing in the property market," Li said in a research note.

"Meanwhile, a number of people will see their income increasing because of the stimulus policies, and that will create extra demand in the housing market."

Bloomberg contributed to this story

chengduspecial

'Biotech Olympics' comes to China for first time

By XU XIAO in Chengdu
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As the first Chinese city to host of the ninth World Biomaterials Congress, Chengdu hopes to attract international partnerships and investments in its biotechnology industry, officials said at the opening ceremony of the event on June 1.

"It is a significant milestone in Chengdu's plan to build a national biomaterials industry hub and develop other related emerging industries," said Ge Honglin, mayor of Chengdu, in his keynote speech.

Biomaterial is a field of medical science involving the replacement or augmentation of tissues, bones and organs by devices such as joint replacements and artificial heart valves. He added that the event also provides rich opportunities for international investors, research institutions and professionals to commercialize the latest research on a global scale.

Held every four years, it is considered to be the "Olympics" of the industry.

It is among the most influential international conferences that have been held in Chengdu in recent years.

The strength in biomaterials science and engineering of a city or even a country is the primary criteria by which the organizers of the congress choose a host venue.

"Chengdu was selected as the host city because it is already one of the biomaterials R&D hubs in China and even the world," said Xiang Shiyong, deputy secretary-general of Chengdu city government.

Before this year, the congress had never been held in a developing country, he said.

The hosts of the last eight sessions were: Washington,

DC; Vienna; Kyoto; Berlin; Toronto; Hawaii; Sydney, and Amsterdam.

At the opening ceremony, China's top biomaterials scientist Shi Changxu, Chengdu Mayor Ge Honglin and Sichuan University President Xie Heping were named honorary presidents of the congress.

Based on the judgment of a panel of experts from the United States, Europe, Canada, Australia, Japan and China, awards were granted to outstanding scientists during the opening ceremony. Additional prizes were given to young scientists for their excellent studies in the biomaterial field.

Chengdu's strength

The field of biomaterials is undergoing significant changes. Research on human tissue and organ regeneration has become a new frontier of biomaterials science and engineering, Xiang said.

As a leader in this area, Chengdu has been designated by the Ministry of Science and Technology as China's nanobiotechnology research and development center.

It is also one of the country's important bases for international cooperation in this field.

Since the 1970s, Chengdu has begun research on biochemical materials. After decades of developments, the city has become one of the country's centers for the research and development of biochemical materials.

Chengdu's many universities and research institutions also offer strong technological and human resources support for further growth in the field.

Renowned Sichuan University has long been backing Chengdu's biomaterials industry.

The National Engineering Research Center for Biomaterials in the university is the first of its kind in the country.

Other institutions, such as the Southwest Jiaotong University, the Chengdu Organic Chemicals Institute of the Chinese Academy of Sciences, and the Sichuan People's Hospital also have R&D centers in the field.

"When the world is looking at China, the third-largest biomaterials market, they will inevitably focus on Chengdu," said Zhang Xingdong, academician of the Chinese Academy of Engineering and professor at Sichuan University. He is also president of the ninth World Biomaterials Congress.

The congress, with the theme of "Innovative Biomaterials and Crossing Frontiers in Biomaterials and Regenerative Medicine", will highlight discussions on the hottest biomaterials topics, including medical implants, artificial organs and tissue engineering.

It will be a rare opportunity for the world's best minds in the field to get together and brainstorm, organizers of the congress said.

Over the course of the five-day congress, more than 3,000 experts, scholars and scientists, doctors, entrepreneurs and managers from 57 countries and regions will take part in various meetings, plenary sessions, discussions and forums at the event.

Among the guests to be present, there are big names, including Nicolas Peppas, chairman of International Union of Societies for Biomaterials Sciences and Engineering.

Qian Xu, considered one of China's most world-renowned scientists in this field, will give a special report on June 4.



WANG JING / CHINA DAILY

Chengdu Mayor Ge Honglin (right) and renowned scientist Zhang Xingdong at the opening ceremony.



The ninth World Biomaterials Congress is one of the most influential international events that has been held in Chengdu in recent years.

WANG JING / CHINA DAILY