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An affordable housing project in Wuhan, Hubei province. Insurance asset managers have shown increasing interest in investing in low-cost housing.

Insurers to add realty investments

The rise comes after revisions to the insurance laws get green light

By HU YUANYUAN
CHINA DAILY

BEIJING — Around 78 billion yuan (\$12 billion) of insurance capital is expected to enter Beijing's "economically affordable" housing market, marking further investment in the property market.

Seven insurance asset management companies, led by China Pacific Insurance Assets Management Co, will raise the sum to fuel development of

the construction of low-cost housing in the capital through a debt-financing plan and take land under the control of the Beijing Land Reserve Center as a mortgage, according to sources from the center on Tuesday.

The first phase of capital, around 10 billion yuan, has registered with the China Insurance Regulatory Commission (CIRC) and purchases are due to begin some time in June, according to the source who declined to be named. This is part of the

"Land Plan", under which seven insurers will cooperate with Beijing municipal government to provide land for development of low cost housing. Insurers, however, will not be involved in the development stage.

This is also the first time that insurers have jointly embarked on large-scale debt financing to fuel the development of this type of housing.

"The return will be a bit lower than the one-year benchmark lending rate," said a management source at PICC Asset Management Co. "Because of the climbing interest rate, the return is not so attractive for us."

The one-year benchmark

lending rate currently stands at 6.31 percent. The return for Chinese insurers between January and November in 2010 was 4.42 percent, according to CIRC.

After revisions to the insurance laws allowed insurers to invest in the property sector, they have been actively preparing and seeking projects. Earlier reports said 100 property investment deals have been registered with the CIRC since the revisions came into force.

Eric Pang, head of Beijing Investment at Jones Lang LaSalle, said property investments made by insurers will increase this year, after 12 months of preparation, as

many of them consider economically affordable housing a major investment target.

Wu Yan, chairman and president of the PICC Group, said earlier this month that the company will increase its investment in the affordable-housing sector this year, and several deals with are close to completion.

"Though the investment return from economically affordable housing is flat, the risks surrounding a debt-financing plan of this kind are pretty low, so insurers can achieve a balance between return and risk," said John Wong, director of investment services at Colliers International.

China puts brakes on production of substandard e-bikes

By POLLY YAM
REUTERS

HONG KONG — China plans to phase out battery-powered electric-bicycles (e-bikes) that exceed speed and weight limits published 12 years ago, a move that could force small manufacturing plants to close and cut demand for lead in the world's top consumer of the metal.

A statement posted on Tuesday on the Ministry of Industry and Information Technology website requires local governments, police, regional industry and commerce offices to tighten management of e-bike manufacturing plants and use by e-bikers.

China's Standardization Administration drafted new standards for e-bikes in late 2009 but later backed down after the updated requirements stirred widespread fears that more than 2,000 e-bike factories would close, affecting millions of users.

The statement on Tuesday urges local authorities to use the existing e-bike standards that were published in 1999 to regulate the manufacture and use of e-bikes.

Under those requirements, e-bikes can weigh no more than 40 kg and cannot go faster than 20 km an hour.

However, the bulk of the estimated 120 million e-bikes in China have designed capacity of 30-40 km an hour and typically carry four batteries, which by themselves weigh at least 16 to 28 kg.

Factories whose products do not meet the standards

17
million
e-bikes made in China every year

0.74
million tons
of refined lead consumed in 2010 by batteries for e-bikes

would be asked to close, while owners of e-bikes would generally be asked to stop using e-bikes that do not meet the standards.

The statement did not provide a time frame for phasing out the existing e-bikes or for plant closures but said local authorities could set their own deadlines. It also did not say how it would enforce the phase-out or what penalties, if any, would be imposed on those who continue to use the substandard bikes.

The time frame could affect whether manufacturing plants have enough time to adjust their production of e-bikes or whether they would have to shut down.

The statement also requires users to obtain licenses, while e-bikers until now have not been subject to any licenses, including a driver's license.

Batteries for e-bikes accounted for about 20 percent of China's 3.7 million tons of refined lead consumption in 2010 with annual production of more than 17 million e-bikes, according to State-backed research company Antaika.

Nordic sports bring an international flavor

By LIU MINGTAI
AND ZHANG ZHAO

The fifth China Changchun Summer Relaxation Festival will give the people of the Northeast China city a bustling and joyful summer this year.

The government of Chang-

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events to be included in this year's summer festival, which lasts from June 22 to Sept 27.

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competitors expected for the Vasa Cross-country Run

chun, the capital of Jilin province, has 74 events planned for this year's summer festival, which runs from June 22 to Sept 27.

The most eye-catching parts of the summer festival will mostly likely be the international contests — the Vasa Cross-country Run and Vasa Orienteering. The two races, which bear the same name, originated in Sweden, as a way to commemorate a 16th century king and national hero, Gustav Vasa.

The Cross-country Race is expected to be held on June 25, and is expecting 30,000 competitors, according to its organizers. It will contain separate adult and children's groups.

There will also be a Swedish-style midsummer party,

from June 24 to 26, at the Jinguetan National Forest Park, where the locals will be able to join the tourists in picnicking and dancing with foreign competitors.

The Nordic sports are part of a series of celebrations that run from May to next February. Next year is the 10th year of the Vasa sports after they were introduced from Sweden.

The anniversary celebration will include the opening ceremony for a Vasa museum, as well as an international marathon in the urban area, outdoor concerts, and cultural exchanges, such as traditional Swedish handicrafts and photo exhibits.

The other events at this year's summer festival will cover fashion, countryside

tourism, business, and conventions. There will also be a beer festival, night fairs, a tour guide contest, and a weekend tourism promotion.

The festival actually dates back to 2007, and, "has become a platform that integrates all the city's summer events, and has attracted many tourists from other cities," said Cui Jie, Changchun's mayor.

Cui suggests that similar festivals be organized for the city's various development zones, business areas, and residential communities to make the city "livelier in summer, and the people feeling its culture better".

Cui has said that last July's Changchun summer festival was one of the nation's most characteristic, and it has

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CUI JIE
MAYOR OF CHANGCHUN

helped Changchun to be recognized as one of the nation's top 10 festival cities for two years running.



Folk performance at last year's China Changchun Summer Relaxation Festival. This year's, slated for June 22 to September 27, will give the people of the Northeast a bustling, joyful outing.

Tourism adds fun to Changchun summer festivals

By ZHANG ZHAO

This year, the city of Changchun's annual forum on summer tourism, held from June 24 to 26, has several themes: the modern leisurely city, countryside tourism, and festive activities.

The city is inviting scholars, industry experts and tourist agents from around the world to take part. To attract more attention, the forum will also include exhibits, outdoors art performances, and a local handicrafts show.

A promotion campaign will begin the afternoon of June 25 in the city's Culture Square, with around 150 booths to allow travel agencies from all over the world to announce their programs so the locals do not have to leave the city to learn about other places, according to the organizers.

There will be an added attraction that same evening, on the same square, running until midnight. Various hip-hops, folk dance, and other artists will perform up on a stage, and there will be sand painting and

other shows.

These will be followed by movies shown on a large outdoor screen.

The countryside tourism section is making its first appearance as a part of the Summer Relaxation Festival, beside the forum, promotion campaign and art performances. The government is trying to encourage the locals to get out of the urban area and experience a bit of rural life — which will of course bring more funds to the tourism sector.

Another first will be the lantern show hosted by the city government and Taiwanese organizations to be held in Nanhu Park.

The idea, according to the organizers, is to promote culture and tourism exchanges with Taiwan.

"And it complements the city's summer tourist products."

The city government has around 30 projects planned for the next few years to improve its tourism infrastructure.



Last year's Vasa Cross-country Run attracted amateur and professional runners from China and abroad.

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