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INDUSTRY

Body moots national cable network

Plan mulls behemoth by 2020-end through gradual integration of provincial TV players

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China plans to launch a countrywide cable television network by integrating existing listed local networks into one public company by the end of 2020, said a government circular posted online on Friday.

In response, stocks of six A-share companies engaged

in cable television, among others, rose some 1 percent.

There are an estimated 30 local cable TV networks in China, six of which belong to listed companies that are also engaged in other businesses.

While content creators could expect huge nationwide audiences, viewers would be able to access a wider range of shows. For example, viewers in Beijing could watch Shanghai cable TV, said analysts.

They further said more details of the plan, whenever they are made available, may well benefit the entire sector, especially those segments involved in the creation of cable network infrastructure.

Eventually, investor sentiment toward cable stocks may also improve.

The circular was posted on an official WeChat account of the Academy of Broadcasting Planning. It cited guidelines from the State Administration of Press, Publication, Radio, Film and Television, and said the plan aims to consolidate provincial cable television network resources and improve integration of cable television and internet networks.

The plan said that by the end of the 13th Five-Year Plan (2016-20), integration of State-owned cable television networks shall be "approx-

30

number of local cable TV networks in China

mately completed".

The integrated cable television company will have China Broadcasting Network Ltd as the major shareholder, and provincial cable television networks as joint shareholders.

The company will run on a parent-subsidiary structure in the form of a national corporation with a countrywide network.

The establishment and funding of the new company

will be in two phases, the guideline said.

In the first phase, CBN will use its shares in provincial networks, assets in national broadcasting and television cable grids, and cash to fund its stake in the new company.

Shareholders of unlisted provincial cable television networks will pick up a collective stake of no less than 51 percent in the new company.

In the second phase, the public listing of the new entity will be pushed forward through equity replacement and merger, after integration of existing listed cable television companies, the guideline said.

The guideline, however, did not specify which existing companies will be involved in the plan, or a detailed time frame for the integration process.

Xu Chun, analyst with Changjiang Securities, said in a research note that a China-wide network would compel market players to expand and modernize their distribution channels.

China's broadcast sector, which spans news, information, education, culture and entertainment, has been undergoing reforms in recent years, to meet the changing viewer demand for value-added content.

COMMERCE

Suning platform promotes trade with ASEAN

By **MA SI**
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An e-commerce platform was launched on Friday to promote trade between China and the members of the Association of Southeast Asian Nations, as the two sides are keen to tap into the rapid development of cross-border e-commerce.

The China-ASEAN platform, eshopasean.com, is operated by China's retail giant Suning Commerce Group Co. It is designed to help Southeast Asian small and medium-sized enterprises better crack the China market, where a growing number of consumers want foreign products.

Jiang Zengwei, chairman of the China Council for the Promotion of International Trade, said e-commerce and big data will play a very important role in boosting multilateral economic ties.

"The agricultural produce and daily products from Southeast Asia are very popular among Chinese consumers. Cross-border e-commerce is becoming a new growth engine," Jiang added.

China has been ASEAN's largest trading partner for seven consecutive years. In 2015, the trade volume between the two sides exceeded \$472 billion, official data shows.

Cross-border e-commerce is also booming. Last year, China exported products worth more than \$80 billion to ASEAN countries via e-commerce.

The trend is expected to continue, given that over 700 million people in China have been connected to the internet, and ASEAN is the fastest-growing region in terms of internet users, Jiang added.

According to Suning, the cross-border e-commerce platform will initially focus on importing products from ASEAN countries, focusing on food, cosmetics, healthcare products, fruit and other daily necessities.

In 2017, the firm aims to attract 200 merchants from ASEAN countries to open stores on the platform and help generate 10 million sales orders.

Zhang Jingdong, chairman of Suning, said the cross-border e-commerce platform is the first step for the Nanjing-based firm to expand its presence in that market.

The move came shortly after China's e-commerce giant Alibaba Group Holding Ltd signed several agreements on Thursday with Thailand's Ministry of Commerce to help the country develop e-commerce.

SPORTS

E-sports organizer mulls Olympic scale

By **OUYANG SHIJIA**
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The World Cyber Arena, or WCA, one of the premier organizers of global e-sports events, is gearing up to expand its overseas businesses in a bid to build an Olympic Games-equivalent for the global e-sports tournaments.

On Friday, in Yinchuan, capital of the Ningxia Hui autonomous region, the WCA signed agreements to implement mutual cooperation with e-sports alliances and associations of 20 countries and regions across the globe including Brazil, Russia and the Netherlands.

"Only by cohesion, especially by maintaining diversity, can we usher in a booming e-sports industry in the future," said Li Yanfei, vice-president of the World Cyber Arena.

Li added that WCA would like to share its brand and experience in e-sports with overseas partners.

In order to carry out the cooperation, the company will give the exclusive rights of WCA tournament brand to its partners, providing both technical and prize support to promote the development of overseas tournaments.

"Starting the e-sports Olympics project will help the WCA to better tap into the gaming market in various countries and regions. By appealing to the spirit of national honor, the tournament will attain more attention, as well as the recognition of the mainstream society," said Teng Hua, president of CNG Games Research Center, a Beijing-based gaming research institution.

With government support and the changing social environment, China is now the biggest e-sports market worldwide by the number of players. At the end of 2015, there were 124 million e-sports users in China and the output value of the gaming sector hit 27 billion yuan (\$3.91 billion). The overall market of e-sports in China is set to surpass 50 billion yuan in the future, according to a report released by iResearch, a Chinese consultancy company.

In September, China's Ministry of Education added e-sports and management as a new major for vocational schools which will be launched nationwide from 2017.

Teng noted that while the Chinese e-sports industry is currently at the best stage for development, there still exists challenges for gaming companies going global.



Contestants at the World Cyber Arena held last year in Yinchuan, capital of the Ningxia Hui autonomous region.
WU XIAOYU / FOR CHINA DAILY

INTERNET



A supermarket employee in Wuhan, capital of Hubei province, scans a consumer's mobile phone to finish payment during last year's "Double 12" shopping festival. JIN SILIU / FOR CHINA DAILY

Koubei to juice 12-12 up with overseas deals

By **FAN FEIFEI**
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Koubei, the online-to-offline or O2O e-commerce platform backed by internet giant Alibaba Group Holding, expects to give overseas offline stores a sales boost and provide internet-based finance for more merchants during the "Double 12" (Dec 12) shopping festival on Monday.

The company said from Dec 10 to 12, more than 1 million supermarkets, restaurants, convenience stores, cinemas and gas stations around the country will use its platform to offer discounts of up to 50 percent to users, via Alibaba's mobile payment platform Alipay.

In addition, some 70,000 offline stores in 16 countries and regions, including Australia, New Zealand, the United States, the United Kingdom, Germany, France, South Korea, Japan, Thailand and

\$1 billion

total investment on launching Koubei last year

Singapore, will participate in the festival through Koubei.

Consumers will receive steep discounts from overseas duty-free shops, department stores, airports, night fairs, supermarkets and restaurants as well.

Ant Check Later, an online consumer finance service provided by Ant Financial from the Alibaba stable, will extend loans to consumers to fund purchases from overseas sellers.

"Double 12" is something of a sequel to Alibaba's more famous "Double 11", the annual Nov 11 online shopping festival. This year, 11-11 raked in 120.7 billion yuan (\$17.5 billion) in sales for Alibaba's online marketplaces in just

24 hours.

Last year's 12-12 saw participation of more than 300,000 businesses that accepted payments for in-store purchases through the company's mobile payment app.

"Offline businesses will be upgraded by internet technology. Koubei will leverage its own resources and advantages such as its huge number of active users, technology and big data to help merchants enhance the efficiency of every link of production and create added value," said Samuel Fan, CEO of Koubei.

Fan said internet-based consumer finance will be extended to offline businesses this 12-12. For example, during the "Double 12" festival, some offline businesses offer insurance for consumers, covering food security and personal safety.

Koubei also provides credit services for merchants.

Koubei, which was estab-

lished by Alibaba and its finance arm Ant Financial in June last year with a total investment of \$1 billion, is seen as Alibaba's O2O vehicle to take on the current market leader, Tencent-backed Meituan-Dianping.

According to Koubei, more than 1.5 million offline businesses have set up virtual stores on its platform.

Lu Zhenwang, CEO of Wanjing Consultancy in Shanghai, said: "Alipay hopes to enhance the frequency of its use and users' stickiness at offline stores through Double 12, and its ultimate goal is to offer finance, big data and other value-added services for merchants."

Wang Pengbo, an analyst at Beijing-based internet consultancy Analysys, said 12-12 will improve the engagement of brick-and-mortar retailers with consumers, and continue the shopping spree that began around 11-11.

PHARMA

Guizhou plans \$76b health projects on TCM advantage

By **JING SHUYU** in Beijing
and **YANG JUN** in Guiyang

China's southwestern Guizhou province plans to invest 524.8 billion yuan (\$76.3 billion) in supporting 320 health projects by 2018, a latest endeavor to further boost the healthcare industry, said a local government official.

The output of the healthcare sector in the province is projected to reach 400 billion

yuan in 2020, accounting for 10 percent of the province's GDP, according to Zhang Ping, deputy director of the Guizhou Provincial Development and Reform Commission.

Zhang said: "Guizhou is suitable for growing herbs, plants and trees used in traditional Chinese medicine or TCM. They provide a foundation for health-related businesses."

Some 5.47 million mu (364,666 hectares) in Guizhou

are under cultivation that help produce 1.81 million metric tons of herbal medicine annually. This has been attracting the attention of pharmaceutical enterprises, Zhang said.

For instance, Changchun-based Xiuzheng Pharmaceutical Group is planning to invest 1 billion yuan in its Guizhou unit over the next five years, said Xiu Laigui, its president. It aims to build an industry supply chain covering medi-

cine, logistics, food and healthcare products.

"Thanks to good natural environment, the place can grow high-quality herbs. Big data infrastructure here also supports the health industry," Xiu said.

Huang Qianjuan, president of Guizhou Qianlong Biopharmaceutical Co Ltd, a high-tech medical company, said she found the southwestern province offered many opportuni-

ties for her startup. "We prefer Guizhou for its good geographical location and good environment for startups... When a new high-speed train is unveiled, it will be easier for us to collect more pathology data for analysis," Huang said.

Dong Xianwu contributed to the story.

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Briefly

HK, Romania tax treaty in force

The agreement between China's Hong Kong and Romania for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income has entered into force, a government spokesman said on Friday. The agreement was signed in November 2015. It came into force on Nov 21, 2016 after the completion of ratification procedures on both sides.

BYD to expand business in Brazil

Chinese company BYD will get a new line of credit to expand its renewable energy business in Brazil, local media reported. The credit line worth 1 billion reais (\$296 million) will allow BYD to manufacture electric buses, solar panels and offer leasing contracts to local public transport companies, said O Estado de Sao Paulo daily.

XINHUA