

CHINA.ACTION.MONEY.

**PUT YOUR MONEY WHERE
THE DRAGON IS**



PACIFIC TYCOON

The Chinese appetite for reform is creating waves around the globe as leading economies frantically attempt to strengthen ties with the dragon economy. The flurry of new friends is as result of a more relaxed attitude to investment and technological freedom within the country, catalyzed by a state visit to China from UK Chancellor of the Exchequer – George Osborne in October.

Last month, the Shanghai Free Trade Zone, a special enterprise zone situated on the outskirts of China's commercial capital, launched as a testing ground for free market policies. If successful, the initiative may be rolled across the country paving the way for economic reform on a global scale.

Global banking giant Citibank and Bank of China have won approval to set up sub-branches in the zone which may lighten controls on the financial services sector in the form of Yuan convertibility and interest-rate liberalisation. In a joint venture, Microsoft and Shanghai-based internet TV firm Bes TV have registered to be part of the zone which promises to open up China's business landscape. Furthermore, according to the Wall Street Journal, HSBC Holdings and Standard Chartered are expected to come on board with the initiative.

Keen to encourage businesses to settle in China, one reform being piloted is the reduction in time that it takes to get approval to start up a business. Currently this stands at 29 days but the zone aims to slash this down to just four days. Chancellor George Osborne embarked on a five-day trip this month to China to strengthen strategic partnerships and secure investment deals that will strengthen mutual job markets and commercial growth for both economies. He described the zone as an "exciting Chinese initiative" and was keen to

stress unity with China over the project.

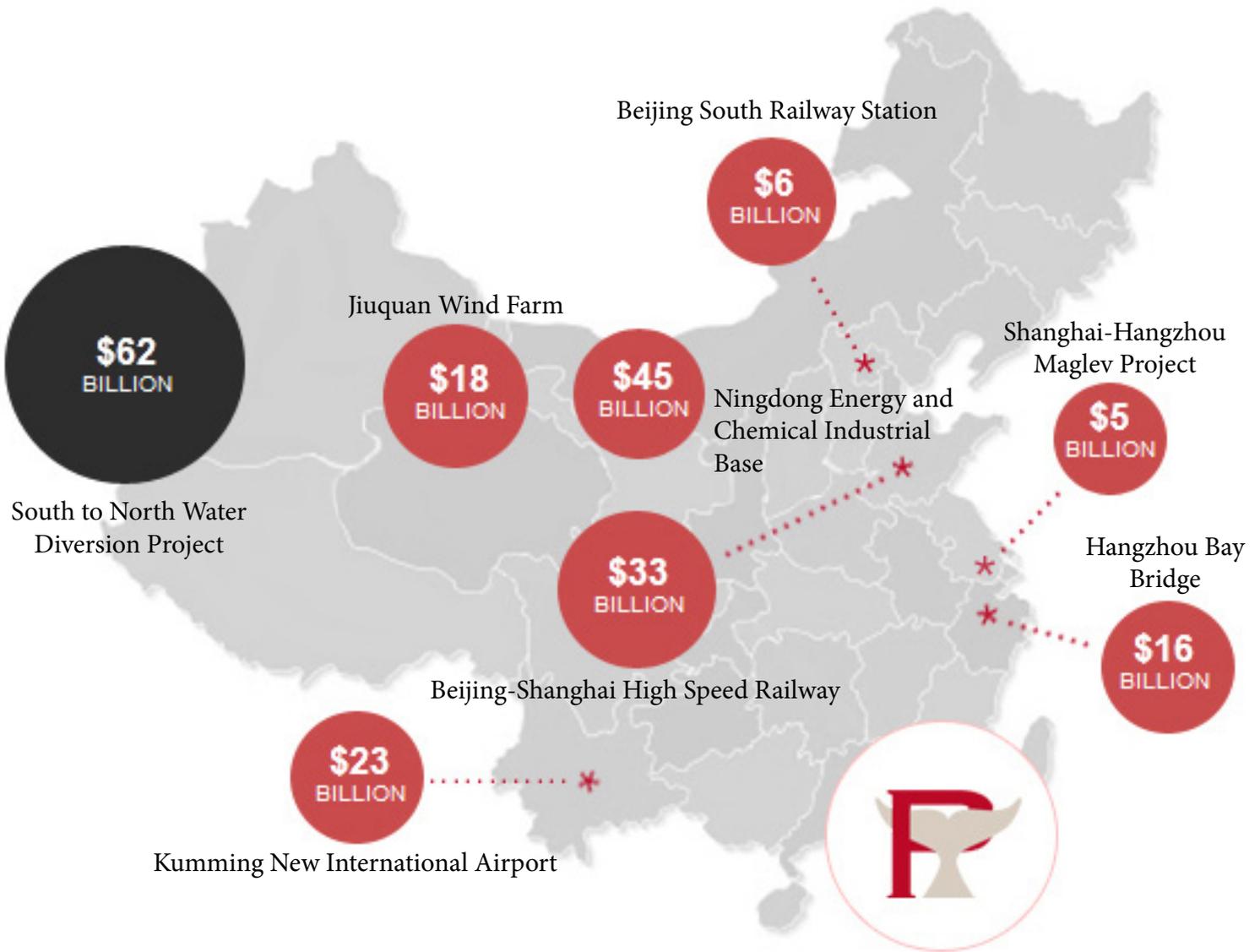
Economic reformations are not the only shock waves reverberating through China's cities and farms. Internet waves are set to permeate through the most rural and cut off villages as e-commerce giant Alibaba Group has promised to bring e-commerce reform to the country. The group has declared its intention to invest \$16bn into logistics and support to revolutionise China's retail industry, taking it online and delivering it to the masses.

Known as the Far East's equivalent to Amazon and ebay, it intends by way of carefully locating warehouses across the country, to be able to deliver goods to Chinese people regardless of their rural or urban location. The inventive is expected to see other retailers piggy backing on the channels it will subsequently set up. The shift is projected to account for a fifth of total retail sales in China within five years, up from 6% last year, according to analysts.

Currency reform is China's most recent announcement with Osborne heralding a partnership between the British and Chinese to set up London as a global offshore hub to trade the Chinese currency - the Renminbi - and act as a platform for currency investment into China. This partnership will reduce the costs involved in investing in Chinese shares and bonds that previously would have to have been done through counterparties in Hong Kong.

The evidence indicates that reformation is ahead. Economic reform, e-commerce reform and currency reform all point towards China getting its dragons in a row, with a directed strategy to draw global investors who are looking for exciting and lucrative opportunities to its shores. The drive certainly does pack multiple trade and government led punches, bolstering what seems to be a truly globally backed dragon.

Pacific Tycoon's head office is based in Hong Kong, at the heart of the booming East Asian economy. Benefiting from our proximity to the industrial and business-led projects transforming China, we endeavour to monitor and understand each one closely. For further details on the trillion dollar projects shown on this map, visit our website: www.pacifictycoon.com



To speak to a member of our team, please contact us.

Hong Kong Office Telephone: +852 580 80130

Email: contact@pacifictycoon.com

www.twitter.com/PacificTycoon | www.facebook.com/pacifictycooninvestments

Pacific Tycoon

Level 11, Admiralty Centre Tower 2, 18 Harcourt Road, Admiralty, Hong Kong.