

Crisis on the ChiNext?

The tech-heavy index undergoes a major retreat.

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Mobiles on the move

Huawei predicts phone sales will garner more than \$2 billion this year.

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Enough to drive you to drink

White liquor makers are ordered to restrain price increases.

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business

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ONEUSD=	▲RMB 6.3967	▲HKD 7.7947	▼JPY 76.53	▲EUR 0.7365	▲GBP 0.6400	▲AUD 1.0079	▲INR 48.97	▲CAD 1.0206	▲KRW 1170.50	▲THB 30.87	▲BRL 1.7960
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briefly

Industry profits increase 28%

Combined profits of China's industrial enterprises of scale rose 28.2 percent year-on-year to 3.23 trillion yuan (\$504.4 billion) in the first eight months, the National Bureau of Statistics (NBS) said Tuesday.

The main business sales revenue of the industrial enterprises of scale — referring to enterprises with annual sales revenue exceeding 5 million yuan each — surged 29.9 percent to 53.17 trillion yuan, said the NBS.

Daimler-BAIC deal is approved

German vehicle group Daimler AG said that it received final approval from the Ministry of Commerce for Beijing Foton Daimler Automotive Co Ltd, its 50-50 joint venture with BAIC Group's subsidiary Beiqi Foton Motor Co Ltd.

The company said that with a second truck plant ramping up, the joint venture will have a total annual production capacity of 160,000 trucks, under the Auman brand.

CHINA DAILY — XINHUA

Renren buying video-sharing site 56.com

Social-networking portal says deal worth \$80b will be completed in Q4

By GAO YUAN
CHINA DAILY

BEIJING — Chinese social-networking company Renren Inc said on Tuesday it will buy 56.com — an online video-sharing site — for \$80 million in cash.

The acquisition, which will be completed in the fourth quarter, is Renren's first strategic takeover since its US initial public offering on May 4.

According to Joe Chen, chief executive officer, Renren chose 56.com because the moderately sized website has an obvious advantage in user-generated content (UGC). More than 90 percent of the video clips on 56.com are made and uploaded by its users, 56.com said.

Meanwhile, Chen said on Tuesday he believed that the weak capital investment is the bottleneck for 56.com's development, and once the company has adequate capital, it could

repay a good profit.

"56.com had lost about \$500,000 during the second quarter, as UGC could not generate significant revenue at the moment," said Wallace Cheung, an analyst at Credit Suisse.

However, Chen said, 56.com has the best financial situation among Chinese video-sharing websites.

Data from Google Ad Planner showed that 56.com had 66 million unique visitors (UVs) and 960 million monthly page views in July 2011. Youku.com Inc, one of the nation's most popular video-sharing websites, had 140 million UVs and 4 billion page views in July.

Chen said that more than 10 percent of the page views were contributed by renren.com, China's answer to Facebook. "The page views renren.com brought to youku.com make up 10 to 15 percent of the total, but we didn't get any of its advertising income," he said.



An advertisement for China's largest social networking website Renren.com in Beijing. Renren's stock rose by 1.53 percent on Monday in the US market.

NAN SHAN / FOR CHINA DAILY

As one of the nation's most popular social-networking websites, renren.com had 124 million active users as of June 30, according to iResearch, an Internet analysis company.

According to Renren, 56.com's CEO and co-founder Zhou Juan will become Ren-

ren vice-president after the acquisition.

In late August, 56.com's Vice-President Li Hao indicated that the company was considering a US IPO, after one of its major competitors, tudou.com, debuted on Nasdaq. The IPO plan ended without result.

Chen said \$80 million is almost the best price Renren could offer, since his company is providing "way too much" of the investment in nuomi.com, Renren's group-purchasing arm. Renren had \$1.1 billion net cash at the end of the second quarter, Cheung of Credit

Suisse said on Tuesday.

56.com declined to comment on the takeover.

Renren started its first day of trading on the New York Stock Exchange at \$14 a share, but it quickly jumped about 70 percent after the start of trade. The shares once hovered at \$24 and then fell below the IPO price in mid-May.

The company's stock rose by 1.52 percent to \$5.35 on Monday in the United States.

US analysts are offering 12-month price forecasts for Renren at a median target of \$8.50, with the highest estimate at \$12 and the lowest \$5.25, according to a CNNMoney report.

On Aug 24, Renren signed an agreement with MSN China in a bid to explore new frontiers for the company in instant messaging and social networking. The two companies would join hands on services such as universal login access and cross-sharing of photos and status updates, said a Reuters report. Renren said the agreement will see a "significant level of integration" between the two platforms.

chengduspecial

Food festival aims to put Chengdu on the gastronomic map

By ZHUAN TI

With lip-smacking relish among a global array of gourmets, the eighth International Food and Tour Festival of China officially opened in Chengdu, the capital city of Southwest China's Sichuan province, on Wednesday. It will last until the end of the October holidays.

The China Council For the Promotion of International Trade and the municipal government of Chengdu city are holding the event together. The Ministry of Commerce also plays a significant role in successfully conducting the festival.

Other local governmental or civil departments, such as the city's publicity department, tourism office, commercial bureau, municipal TV station and local cuisine association, also assisted in launching the event.

According to the organizing committee, the festival has been a huge success ever since the first one in 2003 and has become a significant influence in international cuisine.

As one of Chinese famous his-

torical and cultural cities, Chengdu was awarded the title "Gastronomic Capital" by the United Nations Educational, Scientific and Cultural Organization (UNESCO) last February. It became the second city in the world and first among Asian cities to win such an honor.

The title has helped the food and tour festival to attract an increasing number of tourists both domestically and from overseas to join in the occasion.

In order to raise its profile and add to the gala's atmosphere, organizers have created special guides for gourmets and tourists alike to better and more easily enjoy the delights on offer.

For the first time a series of activities has been arranged for visitors.

The organizing committee will work with Ctrip.com, a leading travel website. It has created themed pages providing information about traffic, hotels, tourist spots and food services in Chengdu.

Meanwhile, another seven historical towns — Tai'an, Luodai, Huanglongxi, Jiezi, Anren, Pinggle and Xilai — have published

information relating to the gala to arouse the interest of tourists there.

A ticket called the "Panda Catering Travel Passport" will be issued to tourists attending the gala. According to Chen Shi'an, deputy head of the city's tourism office, the passport, used alongside electronic coupons downloaded from Ctrip.com, will provide travelers with discounts during their time at the festival.

Festival details

The eighth International Food and Tour Festival of China under the theme "Chinese Food, International Banquet" has its central venue the International Non-Material Cultural Heritage Garden in the city's downtown area in Qingyang district, home to the famous site of Tang Dynasty (AD 618-907) poet Du Fu's thatched cottage.

In addition to the central venue, where many of the celebrations will occur, there are also secondary halls in 19 of the city's districts and other counties in Sichuan province. The secondary venues will also supply food and signpost scenic spots for travelers.

For instance, in Chengdu's Qingyang district, during the whole gala, healthy food will be served under a theme called "Ecological Green". Local restaurants will set exciting new dinner menus with traditional folk songs as a backdrop.

In Chengdu's Wuhou district, there will be cooking competitions and food-related films will be screened to add to the festival's atmosphere.

In neighboring Shuangliu county, a food fair will be held alongside a cultural show based on the famous historical novel *Romance of the Three Kingdoms*, written by Luo Guanzhong in the 14th century. The book concerns the events in the turbulent years near the end of the Western and Eastern Han Dynasties (206 BC-AD24 and AD



PHOTOS PROVIDED TO CHINA DAILY

Sichuan specialties attract plenty of attention at the international food festival.

25-220) and the Three Kingdoms era (AD 220-280) of Chinese history.

During the whole gala, eight main events will take place from mid-September, when the official news conference was held in Chengdu to announce the event.

The opening ceremony was performed in the theme venue in Chengdu on Wednesday evening with thousands of guests and tourists witnessing the exciting moment.

Other activities, such as forums and competitions are expected to attract a substantial number of tourists as well.

Preparation work

To guarantee its smooth running, the organizing committee launched a range of measures before the festival started. Many influential media organizations were asked to report on the events.

At least 40 big-name correspondents from domestic and overseas outlets are attending the big occasion.

The New York Times is among prestigious newspapers reporting the event. In addition, big names in China, such as Xinhua News Agency, China Central Television and China Daily, are also dispatching teams of reporters.

Organizers have created special bus lanes for tourists participating in the gala. Four lines of buses will run to the central venue of the gala.

Resolutions

"We will try our best to have a successful festival and we will make it the best platform for displaying culture and food," said Wen Feng, the deputy director of Chengdu's commercial bureau, speaking on behalf of the organizing committee at a news conference last week in Chengdu.

"The city of Chengdu holds a leading position within China's diverse cuisine," he added.

The city has the earliest records of professional cooking and the first brewery in China's history, achievements that were fundamental to the city's development, said Wen.

There are now more than 6,000 different dishes created in the city, all of them delicious and delicate, making it one of the world's important catering centers.

"Based on the current blueprint, the city is planning to develop itself into an international capital of food," said Wen, adding that by extending the influence of the festival will help them to fulfill that aim.

"We promised to be dedicated to making the festival a real international banquet and spread the attractions of this city to the country and even the whole world."



Sichuan bean jelly, a famous local snack with a lot of toppings.