

BUSINESS

Guizhou unifying water businesses to back up small firms

By **LIU YUKUN** in Beijing and **YANG JUN** in Guiyang

China's water-rich Guizhou province is consolidating local drinking water businesses under one roof by launching a unified brand — Colorful Guizhou — for marketing purposes.

The province expects these operations to bring more synergy and cohesiveness to the relevant companies and boost their earnings.

Such moves are part of the provincial government's efforts to further develop the local drinking water industry to take up a larger national market share and make it a driving

force of the province's economic growth.

"We have abundant natural drinkable water reserves, of which the size ranks top in the country. About 80 percent of our ground water reserves are good for health due to multiple minerals they contain which are part of our advantages," Ao Hong, deputy head of the department of industry and information technology of Guizhou, said at a recent forum.

In 2018, Guizhou's natural drinkable water reserves hit 5.37 million metric tons, ranking third across China, data from the department of industry and information technology

of Guizhou showed.

"However, our drinking water companies are facing great challenges attracting buyers from the domestic market due to relatively weak brand influence," Ao said. "We consider the unified brand strategy an effective way to enhance national competitiveness for our drinking water businesses."

Though Guizhou is rich in natural drinkable water reserves, the province's bottled water production accounts for merely 6.2 percent of the nation's total, which was 82.82 million tons in 2018.

Xiao Ming, deputy head and chief secretary of the Natural Drinking

Water Industry Association in Guizhou, attributed the reason why Guizhou drinking water industry lacks national market presence to its lack of enough established brands.

Xiao explained that among Guizhou's over 800 drinking water companies, only a few, like Guizhou Polar Bear Industry, had annual revenue exceeding 100 million yuan (\$14.3 million). A total of 47 exceed 20 million yuan each, making up 5 percent of the total in the province, while 80 percent of the producers had annual revenue lower than 5 million yuan each.

Li Changfa, head of Zunyi Huishangu, a Guizhou-based bottled

water company which specializes in producing water with rich strontium minerals, said marketing and sales form part of the challenges that many small- and medium-sized companies are facing.

"Many small- and medium-sized drinking water companies can't afford to spend much on advertising," Li said. "That's why developing a unified brand for the drinking water businesses in Guizhou is beneficial, especially to them. The strategy will help them raise market influence and boost sales."

Li said due to the local government's supportive policies, his com-

pany is on a fast track toward generating growth.

Founded in 2014, the company saw its annual output exceed 20 million yuan in 2017 and predicted its industrial output will hit 100 million yuan this year.

"Aside from raising brand influence for small- and medium-sized drinking water companies, the Guizhou government also provides technology and financial support, and is accelerating the progress to standardize quality checks for bottled drinking water," Ao said.

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What's news



GOVT AND POLICIES

RMB denominated loans decline in Oct

China's new yuan-denominated loans reached 661.3 billion yuan (\$94.47 billion) in October, a year-on-year drop of 35.7 billion yuan, according to the People's Bank of China, the central bank, on Monday. The country's broad money supply, or M2, increased by 8.4 percent to 194.56 trillion yuan by the end of October. The outstanding total social financing (TSF), which includes off-balance sheet forms of financing that exist outside the conventional bank lending system, reached 219.6 trillion yuan at the end of October, up 10.7 percent from the year earlier level, the central bank reported.

Electronic information manufacturing surges

The electronic information manufacturing sector in nation expanded steadily in the first three quarters of this year, official data showed. Operating revenue of companies above designated size rose 5.4 percent year-on-year in the first nine months, with the growth pace 0.4 percentage point faster than that of the first eight months, according to the Ministry of Industry and Information Technology (MIIT). During the period, the total profit of these companies went up 3.6 percent year-on-year, bucking the trend of the 2.7-percent drop in the first eight months. Fixed-asset investment in the industry increased 11.6 percent year-on-year, up 3.1 percentage points from the first half, according to the MIIT. In September alone, the added value of the industry went up 11.4 percent year-on-year, up 6.7 percentage points from August.



COMPANIES AND MARKETS

Futures trade up 37% in first 10 months

China's trading of futures climbed 37.38 percent in the first 10 months from a year earlier to 235.43 trillion yuan (\$33.66 trillion), according to the China Futures Association. In October, the trading stood at 21.11 trillion yuan, up 25.49 percent year-on-year, but was 21.69 percent lower from September. In terms of bourses, the October turnover of the Shanghai Futures Exchange was 7.4 trillion yuan, accounting for 35.05 percent of the national market, up 20.77 percent year-on-year, but down 33.42 percent month-on-month. The turnover of the China Financial Futures Exchange in October was 5.33 trillion yuan, accounting for 25.23 percent of the national market, up 154.38 percent year-on-year, and down 10.79 percent month-on-month.

Yuan gains against major currencies

The renminbi strengthened against a basket of currencies last week, according to the China Foreign Exchange Trade System (CFETS). The CFETS yuan exchange rate composite index, which measures the yuan's strength relative to a basket of currencies, came in at 91.88 on Nov 8, up 0.7 points from a week earlier, according to the CFETS. The index compares the yuan with the value of 24 currencies, including the US dollar, euro and Japanese yen. Last week also saw an index that measures the yuan against the Bank for International Settlements currency basket up 0.84 point to 95.57. The index measuring the yuan against the Special Drawing Rights basket rose 1.07 points to 92.25.

Flying colors



Visitors take photographs as balloons are released at a shopping mall in Kunming, Yunnan province, over the weekend. The "Balloon Rain" event is part of the mall's anniversary celebrations.

XIN XIN / FOR CHINA DAILY



AROUND THE WORLD

Japan's household spending increases

Household spending in Japan increased at the fastest pace on record in September from a year earlier, as a consumption tax hike from 8 to 10 percent starting from Oct 1 spurred last-minute buying, the government said in a report. According to the Ministry of Internal Affairs and Communications, household spending jumped 9.5 percent in the recording month to 300,609 yen (\$2,750), marking the 10th successive month of increase and the highest year-on-year rise in real terms since comparable data became available. Economists said that demand ahead of the latest tax hike, as compared to the previous consumption tax hike from 5 to 8 percent in April 2014, saw consumers dash to purchase goods in the month ahead of the hike.

Ireland service trade deficit falls by 90%

Ireland's service trade deficit in 2018 went down by nearly 90 percent compared with 2017, according to the latest figures released by the country's Central Statistics Office. In 2018, Ireland's service exports were valued at 180.1 billion euros (\$199 billion) while its service imports were valued at 185.6 billion euros with a service trade deficit of 5.5 billion euros, which represented a drastic drop of over 87 percent over a year ago, said the CSO. In 2017, the country's service trade deficit stood at 43.5 billion euros, it said. The sharp decrease in the country's service trade deficit was mainly due to an 11.3-percent rise in its service export value and a 9.6-percent fall in its service import value, showed the CSO figures.

CHINA DAILY — AGENCIES

Net profit of top firms on 'new third board' up

Leading firms on the "new third board" have seen rises in net profit in the first three quarters, according to Securities Daily on Monday. A total of 853 listed companies on the "new third board", or the National Equities Exchange and Quotations (NEEQ), have seen their net profits exceed 30 million yuan (\$4.29 million) in the first three quarters, according to the newspaper. Their net profits climbed 27.09 percent year-on-year and return on equity rose 13.2 percent year-on-year in the period. NEEQ-listed companies have been stratified to sift out a group of best-performers based on a series of standards including profits and revenue, enabling these companies to be listed on the stock exchanges as long as they meet public offering requirements.

Driverless metro train passes further tests

A newly developed driverless metro train has passed further testing with a higher level of automation, faster speeds and lower energy consumption, its developer said. Developed by CRRC Tangshan Co Ltd, one of China's major high-speed train manufacturers, the metro train can operate automatically at all times, including opening and closing doors, detecting obstacles and handling emergencies. The train, with six carriages, can carry up to 2,300 people in one trip. The test model is designed to run at a maximum speed of 120 km per hour, 50 percent faster than the normal subways in cities at home and abroad. Made of lightweight stainless steel, the intelligent metro train is much lighter than traditional ones, and each metro can save around 4 million kilowatt-hours of electricity per year.

Manbang to invest in Brazil's TruckPad

Manbang Group, China's largest Uber-like truck-hailing firm, has announced a strategic investment in Brazilian transportation company TruckPad, offering operating experience and technological support to the latter with its business in Latin America. The company did not disclose the volume of the investment. Also known as Full Truck Alliance Group, formed in 2017 by the strategic merger of two rival Chinese trucking firms Huochebang and Ymm56, Manbang covers the majority of the country's goods transport, with 7 million truck drivers and 2.25 million logistics firms registered on its platform. At present, Manbang has operations in 339 Chinese cities, with an annual transaction turnover of more than 800 billion yuan (\$114.7 billion) on its platform.

IT TAKES JUST ONE MOVE TO PROTECT PANGOLINS

Please say no to pangolin products, and help save them from extinction.
When the buying stops, the killing can too.

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