

## Airing it out

Court asked to review Michael Jordan trademark case > p4

## Reaching for the sky

Shenzhen company has received 200 orders for high-tech jetpack

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## Coming to town

Canadian circus show to tour 19 Chinese cities

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# CHINA DAILY

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### BUSINESS

## Apple sees 2Q revenue fall 26% in China

By AGENCIES

Apple's second-quarter profit fell 22.5 percent as revenue declined for the first time since 2003 and iPhone sales declined for the first time ever. Revenue dropped in every region, with China having the biggest share — a 26 percent year-over-year decline.

Greater China sales, once the tech giant's fastest growing market, fell to \$12.49 billion, the company said on Tuesday.



**It's not the strong wind at your back of a year ago or even 18 months ago but it's still a really good economy."**

Apple CEO Tim Cook

## 22.5%

Drop in Apple's second-quarter revenue from prior year

Apple CEO Tim Cook said the Chinese economy has stabilized even though it may not be growing at the white-hot rates of the recent past. "It's not the strong wind at your back of a year ago or even 18 months ago, but it's still a really good economy," he said.

Luca Maestri, Apple's chief financial officer said the strong dollar played a role in the company's weakness in greater China. In Hong Kong, whose currency is pegged to the dollar, sales fell sharply, but in the Chinese mainland, revenue was down only 11 percent.

iPhone sales in the Americas were down 10 percent. Over all, Apple sold 16 percent fewer iPhones in the quarter compared to the same quarter last year.

The company forecast another decline in the current period because of waning demand for the iPhone as fewer users race to snap up the latest version of the device. Shares fell as much as 8.3 percent in extended trading.

Analysts had expected Apple to report revenue of \$52 billion and net income of \$11 billion, or \$2 a share, according to consensus estimates compiled by S&P Global Market Intelligence.

In last year's second fiscal quarter, Apple reported net income of \$13.6 billion, or \$2.33 a share, on revenue of \$58 billion.

Apple had good news from its service business, with revenue up 20 percent.

The company ended the quarter with \$233 billion in cash and marketable securities, and said it would raise its quarterly dividend 10 percent to 57 cents a share and increase the amount of stock it.



A robot demonstrates precision by writing Chinese calligraphy in Hefei. XINHUA

## Boosting robot output is goal

By GAO YUAN and MA SI in Beijing

China plans to triple its annual production of robots used in the manufacturing sector to 100,000 in five years, an industry regulator said on Tuesday.

The target is being pursued as the country upgrades its labor-intensive manufacturing with technological innovation.

China is also aiming to sell more than 30 billion yuan (\$4.6 billion) worth of service robots by 2020 amid surging demand in the healthcare, education and entertainment sectors, according to the Ministry of Industry and Information Technology.

The initiative details the growth of the robotics industry for the national 13th Five-Year Plan (2016-20) with a view to increasing the quality of equipment, said Xin Guobin, the vice-minister of industry and information technology. China produced fewer than 33,000 manufacturing robots in the past year, according to the ministry.

"The strategy will help the Chinese robotics industry to achieve healthy growth amid challenges from overseas providers," Xin said.

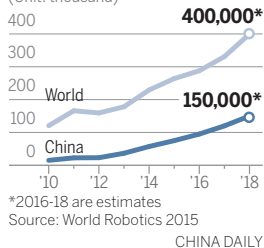
China became the world's largest market for industrial robots in 2013, surpassing Japan, according to the International Federation of Robotics.

The organization estimates that the country will continue to

### Automated output

Annual supply of industrial robots to China and the world

(Unit: thousand)



drive demand for various types of robots due to the automation of its factories and increasing demand for service robots in an aging society.

Increasing labor costs and labor shortages are pushing some manufacturers to adopt robots in production lines.

Feng Xisheng, an academic at the Chinese Academy of Sciences, said robots will be able to complete more complicated tasks in the future.

"The future of the robotics industry will be heavily overlaid with other technologies, including artificial intelligence and virtual reality. This will be the areas that local companies work on," Feng said.

The ministry will also encourage Chinese robot manufacturers

to gain a bigger presence in the high-end market, an area currently controlled by overseas giants such as Fanuc Corp from Japan and the multinational ABB Group based in Switzerland.

Industry sources said this goal will fuel the growth of Chinese robot manufacturers such as Siasun Robot & Automation Co and Hubei Huachangda Intelligent Equipment Co.

Qu Daokui, president of Siasun Robot, China's largest robot maker by market value, said the country's robotics industry is still "like a toddler," but is growing.

The company, eager to boost its competitiveness, is spending heavily on the research and development of industrial robot components.

"Most of these components are still imported from foreign countries, whose steep tariffs increase the cost of robots," Qu said.

Siasun is planning to acquire competitive domestic and international component manufacturers after the Shenzhen-listed company raised 2.96 billion yuan from five institutional investors in November.

"We have been in negotiations with potential companies for more than a year, and we hope to complete the acquisitions by June," Qu said, declining to give more details.

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### RESEARCH

## Dogs 'first domesticated in China'

By CHENG YINGQI

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Chinese scientists are disputing research that concludes that domesticated dogs evolved 15,000 years ago in Central Asia.

They are arguing that genetic evidence indicates they most likely were first tamed much earlier in southern China.

A research team led by Zhang Yaping from Kunming Institute of Zoology in Yunnan province

has questioned the results of previous research, described as the "largest-ever survey of worldwide canine genetic diversity", after reanalyzing the data.

The team's conclusion was published this month as a letter by the Proceedings of the National Academy of Sciences, a top US-based research journal, and previously by Cell Research, a Chinese Academy of Sciences' publication.

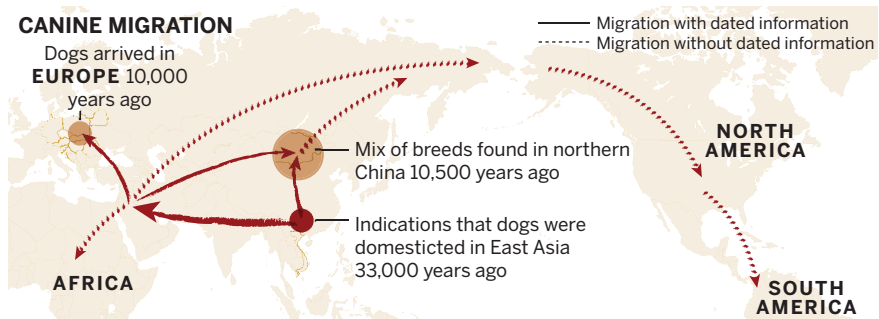
Wang Guodong, an associate professor from the academy's Zoology Institute, said, "For the

first time, our study unravels an extraordinary journey that the domestic dog has traveled on Earth."

The Chinese research disagrees with conclusions reached in October by a team of scientists led by Adam Boyko of Cornell University in the United States.

The Cornell research, which analyzed more than 185,800 genetic markers for 4,600 purebred dogs from 165

SEE "DOGS" PAGE 3



### BUSINESS

## ICBC rolls out first US credit card

Bank to work with UnionPay, Visa in effort to attract overseas Chinese, US tourists

By AMY HE

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**This is a milestone for ICBC's international expansion ... and its rising status globally."**

Wang Xiquan, ICBC senior executive vice-president

The Industrial and Commercial Bank of China launched its first credit card in the United States on Tuesday, hoping to target overseas Chinese living and working in America, and to promote tourism between the two countries.

The new card will be offered by two networks, UnionPay and Visa. The purpose of working with Visa is to offer newcomers to the US with limited credit history to be able to get a credit card and "acclimate to the culture of the United States," a statement released Tuesday said.

ICBC will offer two card levels for both network brands, with the "Preferred" customers earning 1 percent cash back on their spending and "Premier" customers getting VIP benefits and accelerated cash back.

"This is a milestone for ICBC's international expansion, significant to ICBC's credit card footprint and its rising status globally," said Wang Xiquan, senior executive vice-president of ICBC. "The issuance of the ICBC credit card in the USA is ICBC's major commitment to boosting China-US economic exchange and to serving local customers."

Cai Jianbo, CEO of UnionPay International, said in an interview prior to the launch that Chinese customers who work or live in the US will find the new card useful for its familiarity, as will Americans who travel for business to China and countries near it.

The credit card also was launched as part of cooperation efforts between the China National

Tourism Administration office in New York and ICBC for the 2016 China-US Tourism Year.

"We hope that there are more and more exchanges between the two countries, and from UnionPay's perspective, we're hoping to be able to, through our networks, provide more safe and secure payment options to travelers," Cai said.

He said that through its collaboration with ICBC, UnionPay could provide a new payment option for local residents and attract more American tourists to China, supporting the exchange and collaboration between the two countries.

UnionPay is also hoping that it can entice American tourists to use the card when they travel to China, Cai said.

"I think the best proposition [for American customers] is that we can provide the best services to those who are traveling between China and the United States, because so far there's no such product in the market for people in the US that can be used safely and conveniently in the Chinese market," he said.



Attending launch of the Industrial and Commercial Bank of China's first credit card in the US on Tuesday in New York are Wang Xiquan (center), ICBC senior executive vice-president; Cai Jianbo (second from left), CEO of UnionPay International; Zhang Qiyue (third from right), China's consul general in New York; and Demetrios Marantis (left), Visa senior vice-president of global government relations. AMY HE / CHINA DAILY

### In the news

#### CHINA

##### Quicker online

People can solve online shopping disputes within half an hour, thanks to online courtrooms established in four courts in Zhejiang province. > p4

##### MBA changes

Chinese universities are stepping up MBA recruitment over a policy change that will end admissions autonomy. > p6

#### LIFE

##### Thankga a lot

China Daily's Erik Nilsson gets lost in a building that houses the world's longest Tibetan *thangka* scroll. > p8

#### BUSINESS

##### Insurance boom

Chinese insurers see record growth in premium revenue in the first quarter, but profitability could be challenged by a slowing economy. > p13

##### Tidy sum

The internet financial services affiliate of e-commerce conglomerate Alibaba announced on Tuesday that it has raised \$4.5 billion in a new round of funding. > p13



# 2 ACROSS AMERICA

## TECHNOLOGY

# Microsoft to expand China cloud business

By MASI  
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Microsoft Corp will step up efforts to expand its cloud computing business in China as local enterprises are embracing new technologies to boost productivity, a top executive of the US software giant said on Tuesday.

Ralph Haupter, CEO of Microsoft in China, said despite China's economic slowdown, the company is seeing an increasing demand for its cloud service Microsoft Azure. "Though the GDP growth is slowing down, Chinese companies still need to focus on three points to remain relevant and competitive: innovation, productivity and the return of investments. And cloud computing can help in all of the above three aspects," he added.

The company said on Tuesday it has more than 65,000 corporate customers for Azure in China, up from about 50,000 a year ago. The service was launched in the country just two years ago.

And Office 365, the cloud version of its popular Office software, has attracted about 10,000 Chinese corporate customers, who have bought more than 1 million suits of Office 365.

"We will focus on manufacturing, retail, automotive, media and other industries to further expand market share," Haupter said. He declined to offer more details.

Earlier this month, Microsoft lowered the price for part of its cloud computing services amid intensifying competition from rivals like Amazon.com Inc and China's homegrown internet heavyweights Alibaba Group Holding Ltd and Tencent Holdings Ltd.

The US company is trying to transform from a traditional

software vendor into a service provider by boosting its cloud computing capabilities.

Cloud computing offers customers shared access to software or the processing power of vendors, which they can use over the internet. The model saves clients the cost of running their own information technology department, and they will only have to pay for the resources they use, like utility bills.

According to the research firm Gartner Inc, the global cloud computing industry will grow nearly 17 percent to \$204 billion this year and it is likely to hit \$312 billion in 2019.

Ji Yanhang, an analyst at Beijing-based internet consultancy Analysys International, said the Chinese cloud market is still in its infancy, but it is already a fiercely competitive sector.

"China's national strategies, such as boosting high-end manufacturing, will increase demand for cloud services in the coming years."

But foreign companies are facing more difficulties than their Chinese counterparts as some government bodies and State-owned enterprises are abandoning overseas technology for domestically made alternatives due to information security concerns, Ji added.

In September, Microsoft and its Chinese cloud computing partner 21Vianet Group Inc set up a joint venture with the State-owned information technology company Unisplendour Corp Ltd, aiming to break into the government and SOE market.

Haupter said: "So far, the partnership is going well. Since September, we have inked deals with (governments in) more than 10 cities and provinces in China. More progress can be expected pretty soon."



Ralph Haupter, CEO of Microsoft in China. PROVIDED TO CHINA DAILY

"We will focus on manufacturing, retail, automotive, media ... to further expand market share."

## PHOTOGRAPHY



A photo of Central Park in the fall taken by Zhong Ruiming (below), China's deputy consul general in New York, is shown on Tuesday at the Asian Cultural Center, where Zhong launched his new photography book *New York Through the Lens of a Chinese Diplomat*. PHOTOS BY HEZI JIANG / CHINA DAILY

# Envoy captures images of New York

By HEZI JIANG in New York  
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On weekdays, dressed in a suit and tie, Deputy Consul General Zhong Ruiming does what he can to promote US-China relations from the Chinese consulate in Manhattan overlooking the Hudson River.

On weekends, he straps on his camera bag, hops on a bike and delves into the lives of New Yorkers.

Taking photos of local people and landscapes takes up most of the spare time of this overseas diplomat.

"It helps me understand every aspect of the country where I am posted," he wrote in the foreword of his new book *New York Through the Lens of a Chinese Diplomat* (Asian Culture and Media Group, 2016), launched on Tuesday at the Asian Cultural Center in New York.

Framed by the same tunnel in Central Park, he shows the green-and-orange of early autumn and the snowy white of winter. He captures the romantic moment of a man in a Wolverine costume proposing to his girlfriend at New York Comic Con.

Timed to coincide with the 2016

China-US Tourism Year, the book is a celebration of cultural interaction.

"State-to-state relations thrive when there is friendship between the peoples," said Zhong. "We are also seeing more foreign photographers go on to the streets of China and share their works with their people."

Zhong has taken tens of thousands of photos in the Big Apple since being transferred there from the embassy in Indonesia in 2013. The book features more than 300 photographs organized to six sections: City Landscapes, The Four Seasons, Home of Birds, Diverse Society, Festival Parades and Chinese Culture.

With his Asian looks and big camera in hand, Zhong is easily mistaken for just another tourist. His photos provide the distinction.

He has gotten up at dawn to see the city before it awakens, taking a shot of a sanitation worker cleaning the deserted TKTS stairs in Times Square that would be crammed with tourists in a few hours.

He snapped a photo of a mom, with a baby tucked at her side and a young son by her side, beaming with pride after taking part in the



Climate March. He captured the real New York as a boy snoozed away on a stroller while his parents cheered on marathon runners.

On the coldest day of this year, he went out to the Lunar New Year Parade to take photos of the clouds of people's breath next to the Year of the Monkey puppets.

Once in a while, he also captured the perspective of a diplomat. From the balcony of the consulate, he took

a bird's-eye-view photo of people packing the riverfront for the Fourth of July fireworks.

To reveal the complexity of the city, he shot the artificial limb of a homeless person with three young women jumping in flip-flops.

"I pondered how different lives can be," he wrote in the caption.

Zhong's works will be on display at the Asian Cultural Center through May 5.

## CLIMATE CHANGE

# Broad chair early believer in climate change

By PAUL WELITZKIN in New York  
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There may be climate change skeptics in the US, but Yue Zhang, chairman and CEO of Broad Group, has never doubted that changes in global or regional climate patterns have occurred.

"I believe that this has happened over the past 20 years," Zhang said in an interview.

"The biggest problem we face in the world right now isn't terrorism or world war. It's climate change," he once told the BBC.

Zhang was in New York on Monday for a seminar sponsored by the New York chapter of the China General Chamber of Commerce on

creating a sustainable New York City. He noted the signing of Paris Agreement on climate change last week.

"It's great news for us. Our products, when compared with traditional ones, will sharply reduce costs. So this will help to create lots of opportunity," Zhang said. He received a Champions of the Earth award in 2011 from the UN Environment Programme.

In 2012, Zhang's company shocked the world by completing a 30-story building in 15 days. Zhang, a former artist, started Broad with \$3,000 in 1988 mainly to produce industrial air conditioning units.

Since then Zhang has obtained more than 100 patents and each of his inventions has transformed its respective industry, making Broad

a green technology leader in many fields.

Sustainability is one of the main reasons why Broad and its US subsidiary (Broad Group USA) are in business. Hackensack, New Jersey-based Broad and its parent in China specialize in manufacturing central air conditioning non-electric absorption chillers that are powered by natural gas and waste heat.

Both firms specialize in cogeneration (combined heat and power or CHP) which is the simultaneous production of electricity and heat from a single source like natural gas, biomass, coal, waste heat, or oil in an integrated energy system.

According to Doug Davis, Board USA's director of sales in North

America, the company is working on projects at a new MGM casino outside of Washington and two Veterans Administration (VA) hospitals in Connecticut.

Davis said the installation of Broad's technology at the VA hospitals is particularly exciting for the company. "If we can reduce energy costs by as much as a third, this means there will be more funds for patient care at the VA," he said.

Last year Broad completed a project for the Whole Foods store in Brooklyn, New York, that features a 157 kilowatt CHP system that provides simultaneous heating and chilled water annually through cogeneration of heat and electricity. It is designed to keep the store functioning during a power grid failure.

# Ford to get down and dirty with off-road pickup truck in China

William Hennelly  
NEW YORK JOURNAL

It may not be long before Chinese singers are warbling country tunes on the way to a tractor pull somewhere deep in the province.

Ford Motor Co is betting that China's taste for authentic American products extends to off-road vehicles.

On April 22, timed for release just before this week's Beijing Auto Show, Ford announced that starting in 2017, it would sell its first pickup truck in China: the new F-150 Raptor Super Crew off-road.

Off-road conjures up images of four-wheel drive vehicles spitting clumps of mud and

gravel into the air. "By introducing it (the F-150 Raptor) to the world's largest auto market, we hope to inspire a new generation of off-road enthusiasts and demonstrate how we are always bringing our customers new innovations," John Lawler, chairman and CEO of Ford Motor China, said in an April 22 release.

Ford predicts that the Raptor will deliver "a new level of capability to China's off-road enthusiasts."

"We are thrilled to offer our customers in China the chance to experience new levels of off-road performance with the all-new F-150 Raptor," said Jamal Hameedi, global chief program engineer, Ford Performance.

"There is a strong off-road enthusiast base in China," Ford spokesman Martin Gunsberg told Automotive News. "There

are lots of opportunities."

"There is an emerging off-road market in China that reportedly is exhibiting strong growth," Dave Zoia, editorial director for WardsAuto, told China Daily. "The F-150 Raptor, more enthusiast pickup than work truck, would be aimed squarely at this segment, competing for sport-minded buyers now gravitating toward Jeeps, Toyota Land Cruisers or more conventional pickups.

"Don't look for huge volumes, but offering the Raptor in China could be a solid brand-building play for Ford there," he said.

"I've only seen it (the F-150) in Hollywood movies," Chen Yaoguo, a Shanghai photographer, told The Wall Street Journal. "Its masculine feeling and strong off-road capabilities impressed me a lot."



The Ford F-150 Raptor SuperCrew off-road pickup truck draws some looks at the Beijing Auto Show this week. CFP

The Raptor has been popular in China's gray market, where buyers are known to pay triple the list price, The Associated Press reported. But it's never been formally sold in the country.

According to the Journal,

vehicles imported to China face a 25 percent customs duty, a 17 percent value-added tax and a consumption tax of 10 percent to 40 percent based on engine size.

Ford didn't announce a price, but the Raptor is expected to

start around \$50,000. Chinese buyers face those import duties, because the truck will be built in Dearborn, Michigan, the AP reported. So they're looking at a \$100,000 sticker.

Ford rolled out the Raptor in the US in 2009, and it soon gained a following among off-road enthusiasts. It was discontinued for the 2014 model year as the company got ready to launch a new, aluminum-bodied F-150.

"Advanced materials - including a fully boxed, high-strength steel frame and high-strength, military-grade aluminum-alloy body - help to improve durability while greatly reducing the weight of Raptor for improved off-road prowess," is how Ford describes the latest version.

The new Raptor goes on sale in the US later this year. It has

a 3.5-liter V6 EcoBoost engine that "paired with an all-new 10-speed transmission, produces the power of a V8 with fuel economy of a V6," and a "terrain management system" for driving in sand, rocks or snow.

Ford makes various versions of the F-150, but it plans to ship only the Raptor to China for now. The F-150 is available in 95 countries and has been one of the top-selling vehicles in the US for 30 years.

This pickup could give new meaning to cruising the Silk Road, which is probably all well and good, because China restricts trucks - and that includes pickups - from entering big cities without a local permit.

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