

First yuan bonds to African banks

By **WANG XIAOTIAN**
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African central banks were given access to yuan-denominated bonds for the first time after a large Chinese lender allocated them a purchase quota of three-year bonds, an important development in the yuan's wider use globally.

BANKS

China Development Bank Corp, the State-owned lender and a supporter of government projects and Chinese companies looking to expand overseas, set aside part of its three-year dim sum bonds sold on Thursday for African central banks.

That was the first time that African central banks would be able to invest in yuan-denominated bonds.

CDB offered 1 billion yuan (\$157 million) of 20-year bonds in Hong Kong, the longest time on record for the market denominated by short-term debt, at a yield of 4.3 percent, and 1.5 billion yuan of three-year notes at a yield of 2.95 percent.

Investors from Europe, the Middle East, and Africa purchased 60 percent of the bonds, said Gao Jian, vice-president of CDB.

The bank declined to reveal how much African central banks have invested in the bonds, but a source close to the matter said that the central banks of Nigeria and Tanzania had made the biggest purchase among their African counterparts.

"The allocation to African

central banks is a reflection of the latest trend in the currency reserve strategies of some African nations, which have started to include the renminbi into their foreign exchange reserve portfolios," said Fan Bing, the managing director at Standard Bank China.

The South Africa-based Standard Bank Plc's allocation for the three-year bond was the highest among all the seven joint book-runners.

The six other bond sale managers are Bank of China Ltd (Hong Kong), Bank of Communications Co Ltd, Barclays Plc, HSBC Holdings Plc, Industrial & Commercial Bank of China Asia Ltd and Standard Chartered Plc.

"This bolsters two-way capital flows between China and Africa, and marks an important step in the renminbi's road to becoming a global reserve currency, which is an important element in the internationalization of the currency," Fan added.

Turmoil in US and European debt markets has made it necessary for African countries to quickly begin moving some of their reserves away from more traditional currencies, said Babacar Ndiaye, former president of the African Development Bank.

Li Dongrong, the vice-governor of the People's Bank of China, pledged earlier this month to promote the yuan's use in settling trade and investment with Africa, and encourage African central banks to hold more yuan assets.

"The internationalization of the renminbi is inevitable, and Africa — more than anywhere else — is a fertile market offering better opportunities for the Chinese currency," Fan said.

In 2011, 36 billion yuan worth of trade was done in yuan, according to Jeremy Stevens, an economist at the Standard Bank.

Chinese central bank figures showed that yuan-denominated settlement between China and some African countries has already started, and 4.3 billion yuan worth of settlement was done with South Africa and 2.3 trillion yuan with Mauritius, for instance.

"More African central banks will include the currency in their foreign reserve portfolios, and in five years about 20 percent of African central banks' foreign reserve portfolio would be yuan assets," said Millison Narh, the second vice-governor of the Bank of Ghana.

In September, the Nigerian central bank announced it expected to turn 5 to 10 percent of its foreign exchange reserves into yuan assets to diversify its reserve basket and further strengthen strategic cooperation with China, making it the first African country to take the step.

CDB sold 15-year dim sum bonds worth 2.5 billion yuan earlier in January.

After the latest issuance, CDB has now sold 19 billion yuan bonds in Hong Kong, the biggest sum among mainland financial institutions.

Some less content with auto services

By **LI FANGFANG**
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After increasing for six years in a row, customers' satisfaction with the after-sales service they receive from dealers in China dropped in 2012, according to the JD Power Asia-Pacific 2012 China Customer Service Index Study.

AUTO

Analysts said the decline was a reflection of the industry's inability to keep pace with annual increases in sales. In the past four years, nearly 40 million new passenger vehicles have been added to China's roads.

"Facing the challenges, a mind shift is required for automotive dealers," said Charles Mills, vice-president of global retail practice with the marketing information services company JD Power and Associates.

"They need to optimize their strategy with rethinking strongly about after-sales service, financing, as well as used automobiles — not only about new vehicle sales."

"China's after-sales service market has more potential than the still growing new-vehicle market over the next few years. As a result, after-sales service is becoming one of the backbones for dealers to sustain growth amid fierce competition."

Mills said the survey also suggests that sales of new vehicles in China are producing lower profits as the market for such vehicles weakens. At the same time, the profits that can be made from after-sales services are increasing.

And his confidence in the after-sales market is also coming from his experiences in long-standing automobile markets, such as the United States.

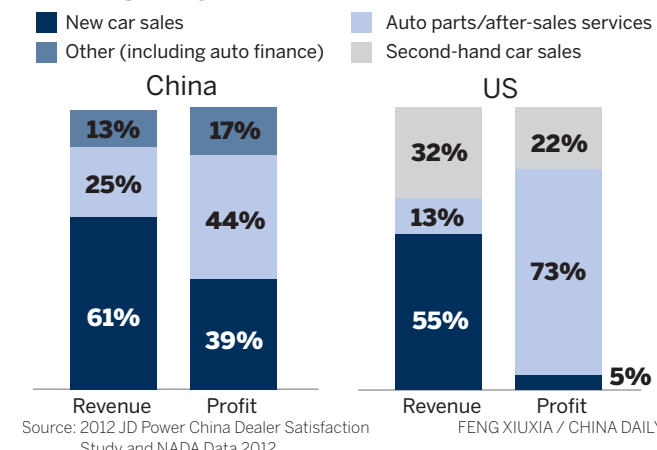
"After years of development, now in the US, 73 percent of the profits for automotive dealers are coming from after-sales services and 5 percent are contrib-



WANG ZHEN / FOR CHINA DAILY

Cars damaged by recent flooding at a maintenance center in Beijing's Fengtai district.

REVENUES AND PROFITS OF CAR DEALERS IN 2011



uted by new vehicle sales, while after-sales services in China only account for 44 percent of dealers' profits, and 39 percent from new vehicle sales," Mills said.

The study, now in its 12th year in China, attempts to measure how satisfied vehicle owners feel after they have visited an authorized dealer's service department to obtain maintenance or repair work for a vehicle they have owned for between 12 and 24 months, which often makes up a substantial portion of a vehicle's

warranty period.

Customers' general satisfaction with dealer service in China declined to 832 points on a 1,000-point scale in 2012, down from 833 points in 2011. Dealers that sell Japanese brands were among those that garnered the top three rankings.

Based on a JD Power analysis, the number of vehicles on the road in China may be increasing faster than the industry can add qualified dealers that are capable of servicing those vehicles according to the standards that

consumers expect.

To keep pace with the growing demand for passenger vehicles over the past few years, automakers in China have aggressively expanded their dealer networks. In 2011, the number of authorized dealers increased by 14 percent year-on-year, according to JD Power.

Moreover, despite that increase, service advisers employed at those places are receiving 10 percent more customers on average, thus putting dealers under great pressures.

"Our research has shown that customer satisfaction with the dealership has a significant impact on owner loyalty and brand advocacy," said Justin Min, senior automotive analyst for JD Power Asia-Pacific Shanghai.

"Providing high levels of customer service among an increasing number of new dealerships with higher sales volumes is clearly a challenge," Min said. "Those brands that can successfully manage this expansion will be better positioned for growth as the industry evolves."

Joanna Real Estate

<p>Park Avenue - 公园大道 ID: 7455 196sqm, 3bedrooms ¥21,000 south facing, garden view, lake view</p> <p>Le Leman Lake Villa - 莱蒙湖 ID: 0640 448sqm, 4bedrooms ¥38,000 type D, detached, big garden, big terrace</p> <p>Apartments for Rent in Beijing</p> <p>CBD Area</p> <p>Central Park - 新城国际(I-III)</p> <p>Upper East Side - 阳光上东</p> <p>Central Park - 新城国际(III)</p> <p>Central Park - 新城国际(IV)</p> <p>Global Trade Mansion - 世贸国际</p> <p>Sanlitun Area</p> <p>GuangCai Int'l Apartment - 光彩国际公寓</p> <p>SanlitunSOHO - 三里屯SOHO</p> <p>Chang'an Avenue</p> <p>China Center Place - 华贸中心</p> <p>Gemdale Int'l Garden - 金地国际花园</p>	<p>Fortune Plaza - 财富中心 ID: 2634 252sqm, 2bedrooms ¥40,000 high floor, south facing, good view</p> <p>Yosemite - 优山美地 ID: 9133 508sqm, 4bedrooms ¥60,000 type B6, detached, big garden, big balcony</p> <p>Lido Area</p> <p>Greenlake Place - 观湖国际</p> <p>China Center Place - 华贸中心</p> <p>Star River - 星河湾</p> <p>Boya Garden - 博雅园</p>	<p>Palm Springs - 棕榈泉 ID: 9491 175sqm, 3bedrooms ¥21,000 middle floor, garden view, value for money</p> <p>Beijing Riviera - 香江花园 ID: 1819 406sqm, 4bedrooms ¥45,000 type A, phase I, detached, big garden, big balcony</p> <p>Dongzhimen Area</p> <p>Chateau Regalia - 丽高王府</p> <p>Dynasty Garden - 丽都花园</p> <p>Rits Garden - 丽晶花园</p> <p>Australian Garden - 澳景园</p> <p>Villas for Rent in Beijing</p> <p>Airport Expressway Area</p> <p>Chateau Regalia - 丽高王府</p> <p>Dynasty Garden - 丽都花园</p> <p>Rits Garden - 丽晶花园</p> <p>Australian Garden - 澳景园</p>	<p>SanlitunSOHO - 三里屯SOHO ID: 15240 250sqm, 3+bedrooms ¥29,000 high floor, good view</p> <p>Orchid Garden - 卓锦万代 ID: 1478 600sqm, 6bedrooms ¥60,000 detached, nice garden, under floor heating</p> <p>Jing Shun Road Close to ISB</p> <p>Yosemite - 优山美地</p> <p>Le Leman Lake Villa - 莱蒙湖别墅</p> <p>Dragon Bay Villa - 龙湾别墅</p> <p>River Garden Villa - 裕景花园</p> <p>Upper East Side - 阳光上东</p> <p>Beijing Eurowillage - 欧陆苑</p> <p>Rose and Ginkgo Villas - 龙湖玫瑰山</p> <p>Jing Shun Road Close to WAB</p> <p>Beijing Riviera - 香江花园</p> <p>Orchid Garden - 卓锦万代</p> <p>Grand Hills - 大湖山庄</p> <p>Four Seasons - 四季酒店</p>
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Victoria Gardens : 3Br 2Ba 167sqm ¥20,000 value for money ID:7527
Fully furnished apartment, two large balconies, open kitchen with cooker and dishwasher, wooden flooring with under floor heating, quiet compound near convenience stores, restaurants and Chaoyang Park.

Palm Springs : 3Br 2Ba 175sqm ¥23,000 value for money ID:5907
This beautiful apartment situated on the 11th floor comes with wooden flooring throughout, brand new modern furniture, and a stunning view of the compounds garden and lake. Perfect for individuals and families alike.

Upper East Side : 3Br 3Ba 196sqm ¥23,000 value for money ID:7174
This newly decorated fully furnished apartment has spacious rooms including a big kitchen, high windows, good natural light, wooden flooring, and great views of the river flowing below, under floor heating.

Central Park : 3Br 2Ba 180sqm ¥29,000 ID:0495
This newly renovated 21st floor apartment comes with dark wooden flooring and new high quality furniture throughout, with a beautiful garden and city view from its big balcony. It is located in a quiet compound.

Beijing Riviera - 香江花园
4Br. A 403sqm big garden ¥42,000
4Br. B 406sqm detached ¥45,000
4Br. C 294sqm nice garden ¥40,000
3Br. E 240sqm modern furniture ¥35,000
4Br. F 465sqm big garden ¥65,000

Lane Bridge Villa - 长岛澜桥
3Br. 296sqm nice garden ¥28,000
4Br. 380sqm big garden ¥36,000

Orchid Garden - 卓锦万代
4Br. 350sqm big garden ¥35,000
4Br. 400sqm nice garden ¥40,000

Grand Hills - 大湖山庄
4Br. C 502sqm big garden ¥55,000
4Br. K 480sqm nice garden ¥50,000
5Br. J 211sqm big garden ¥75,000

Quan Fa Garden - 泉芳别墅
4Br. 280sqm special offer ¥25,000
6Br. 650sqm nice garden ¥40,000

Four Seasons : 3Br 2Ba 256sqm ¥48,000 ID:11176
This lovely apartment comes with a spacious living room, brand new modern furniture, and a stunning garden/river view. Four Seasons is a brand new property in walking distance of Kempinski Hotel.

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