



The JLJ Group is well positioned to provide cost-effective solutions during these uncertain economic times.

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Solutions for China Entry & Growth*

Welcome to JLJ's e-newsletter - **China Focus**. Here, we hope to share with you the latest regulatory updates and useful information relevant to China's business environment. This e-newsletter is brought to you, our valued network, as part of JLJ's value-added service.

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Human Resources

HRM, Time to Make a Choice



Discussions with professional human resource (HR) managers of different backgrounds have highlighted two important trends in the HR industry - a wider range of HR service agencies are now available and services are generally offered at lower prices than previously. While this may help lower short-term HR costs, vacancies may become harder to fill as coordination problems with the agencies arise and candidates become more cautious.

Hence, what factors should companies consider when choosing a HR service agency? Is pricing a sufficient deciding factor? While it is true that lower prices are particularly beneficial for survival in the current economic downturn, professionalism of services should not be neglected as it may have a longer impact on the organization. A professional HR service agency builds a long-term relationship with its client, understands the clients' needs and is able to thoroughly evaluate a candidate's suitability beyond the usual resume inspection. Such professionalism comes at a cost and it is hard to imagine such firms offering prices as low as what their amateur competitors are offering. Thus, HR managers are advised to consider the various factors carefully before deciding to engage a particular HR service agency. A reasonable quality of service always calls for at least a reasonable price.

For more information, please email to ronnietang@huijiechina.com

New Approval Procedures for Shanghai Construction Projects

New regulations for the approval of construction projects have been issued in Shanghai. These will facilitate the process of getting construction projects approved by the authorities.

The current nine approval procedures will be simplified, including the procurement of land use rights, endorsement of design schemes, inspection of design documents and final approval of the constructions. The whole process should now take no more than 50 days to complete - 30 days for Shanghai Construction and Transport Commission to examine the various safety and environmental aspects of the proposed project, and 20 days for its final acceptance if project permits are applied immediately after being qualified for the examination. This should help construction companies shorten their project timelines and stimulate the industry.



The above changes have been introduced in Pudong New Area and the districts of Changning and Minhang, and will be extended to the rest of Shanghai from October onwards. The total output of the construction industry in Shanghai was 45 billion USD in 2008, an increase of about 22% over the previous year. Construction spending in China is expected to grow by about 8% annually through 2013.

For more information, please email to tim.lamb@jljgroup.com

Tax Updates

Preferential Tax Policies for Display Devices



The State Council has approved Caishui [2009] No.32, which extends the effective period of Caishui [2006] No.4 by 3 years. This means that display devices such as the plasma display panel (PDP) and organic light-emitting diode display surface board (OLED) will continue to be exempted from import duties and import value-added tax until December 31, 2011.

This preferential tax policy will enable companies to lower their production costs and reap greater profits. In addition, they can also take the opportunity to upgrade their equipment and level of technology to meet current market demands. However, companies should note that the tax exemption is only applicable if the imported materials are used for purposes of production and development of the company. Transference and other uses (including research and development) are not allowed.

Interested companies can refer to Caishui [2006] No.4 for more details. This includes specific procedures that are required for the implementation of the preferential tax policy.

For more information, please email to flora.yang@jljgroup.com

Industry Focus: China's Education and Training Industry

This edition of the JLJ Newsletter will focus on the Education and Training Industry within China. The full report along with executive summary can be purchased or viewed on our website.



With the economic downturn, China's education and training market, already one of the largest in the world, has seen increasing growth. With top employment opportunities becoming increasingly competitive, more people are seeking advantages through additional training/education, driving China's education and training industry. There are four main sectors within the industry:

- **Children's Education:** varies from music and art to creative training; growth primarily driven by the one-child policy and strong competition for entry into top schools.
- **Language Training (English):** driven by individuals taking English courses seeking to gain an edge in the highly competitive job market.
- **IT Training:** companies in all sectors as well as individuals seeking to enhance competitiveness contribute to the continued steady growth.
- **Soft Skills Training:** new to China, demand driven by multinational corporations (MNCs); popular topics include management skills, customer service, leadership, etc.

Significant opportunities exist for foreign companies within these sectors, especially in Tier 2 cities, as quality perception of foreign educational services is very high among Chinese.

To view the executive summary or purchase the China Education and Training Industry report, please click [here](#) or visit our website at www.jljgroup.com and click on the China Industry Reports link.

For other inquiries about this article or the work of our consulting division, please email Mark Ray at Mark.Ray@jljgroup.com

The JLJ Group together with BenCham are proud to present:

The third in a series of four elaborate workshops on
2nd TIER AND 3rd TIER CITIES



Focus on:
Wuhan and Dalian

Friday, June 26th, 2009
8.00 am - 10.15 am

Sofitel Hyland @ Fleurie Room 2nd Floor, Shanghai
505 Nanjing East Road (near Fujian Road)

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Come and join us at our next Charity event on
Saturday, June 27, 6pm @ Bell Bar.

Help Morning Tears rebuild the world for children
who have lost their own.

When buying a drink in Bell Bar that day you will directly be
giving a donation to the children of Morning Tears!



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The JLJ Group provides solutions to foreign companies entering and growing in China. Our core services include Market Consulting, Corporate Formation, Human Resources, Tax & Accounting as well as Business Process Outsourcing.

Send us your business enquiry at info@jljgroup.com or find out more about our services at www.jljgroup.com.

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