

CULTURE

Shanghai to quench thirst for art

New center within FTZ to boost China's global credentials

By SHI JING in Shanghai
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An artwork exchange center, located within the China (Shanghai) Pilot Free Trade Zone, will enhance China's competitiveness in international art trading when it opens its doors later this month.

The Shanghai FTZ International Artwork Exchange Center, which will have the world's largest bonded warehouse of artworks, will also be equipped with a highly advanced security system, according to FTZ authorities.

Though the existing rules do not allow the trade of cultural relics now, expectations are high that the policies would be relaxed.

Hu Huanzhong, general manager of the Shanghai FTZ International Culture Investment and Development Co Ltd, which is the operator of the new center, said current regulations restrict foreign auction houses from conducting such auctions in the mainland.

"The Shanghai FTZ will make continuous efforts to loosen the policy and we expect a breakthrough soon," he said.

Hu said that giving the green light to foreign auction houses will not result in an outflow of Chinese cultural relics, but would rather lead to



A pedestrian walks past an auction billboard of Shanghai FTZ International Culture Investment and Development Co Ltd in this file photo. The sales revenue of the artwork industry in China reached \$5.65 billion last year. JIN RONG / FOR CHINA DAILY

an inflow of cultural relics which had left the country a long time ago.

"Foreign auction houses enjoy a higher reputation and have more credit with buyers and sellers. Most of the sellers are willing to hand over the long-lost cultural relics to internationally highly celebrated auction houses such as Sotheby's or Christie's. This will largely increase the chances of more cultural relics returning to the Chinese market," he said.

The opening up of the cultural relics auction market will also be an important milestone for the Shanghai FTZ

Artwork Exchange Center, which will officially open for business on Nov 28. Auction of cultural relics will boost trade volumes and make Shanghai a center for global art, said Hu.

Citing the recent instance of a night-time auction held by Christie's in Hong Kong, Hu said the total proceeds were nearly HK\$3 billion (\$387 million), while a similar auction held on the Chinese mainland would net only 100 million yuan (\$15 million). The reason for the stark disparity is the absence of cultural relics in the Chinese mainland auctions.

"We need to have an open

mind if we want the artwork exchange center to be a success in Shanghai," he said.

The center has till date collected about 2,000 pieces of artworks, among which nearly 600 will be displayed on the opening day. In the future, interested collectors can look up for detailed information on the center's digital database.

For artworks bought within the center, consumers do not have to pay any duty if they keep them within the FTZ or directly deliver them overseas. But if they would like to take the artworks outside of the zone, duties will be levied.

Kong Dada, the chief planner of the center, said they have signed agreements with Bank of China Ltd and Bank of Shanghai Co Ltd to start artwork pledge financing within the center.

The total sales revenue of the artwork industry in China reached \$5.65 billion last year, making it the largest consumer of artworks globally, according to the Annual Art Market Report in 2014, co-released by global art market information provider Artprice and Art Market Monitor of the Shenzhen-based cultural group Artron Art (Group) Co Ltd.

EQUITIES

CITIC Securities revamp on cards

By LI XIANG
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CITIC Securities Co, China's largest securities brokerage, said on Tuesday that its chairman is retiring, raising questions about the direction of the firm that is under government investigation for alleged insider trading.

Wang Dongming, 64, will step down from his position as chairman "for the reason of his age", the securities firm said in statement to the Shanghai Stock Exchange.

State-owned CITIC Group Corporation, the largest shareholder of the firm, has named Zhang Youjun, 50, a senior executive of the group, as a candidate for the new chairman.

Wang will continue to serve as the chairman of CITIC Securities until the next board election, according to the statement.

The personnel changes at CITIC Securities come close on the heels of several top executives of the firm, including its general manager Cheng Boming, facing government probes for possible market malpractices.

The brokerage, one of the so-called national teams to stem the summer market rout that erased \$5 trillion of market value, has been accused of using advance knowledge of the government's market res-

cue plan to its own advantage, earlier media reports said.

On Tuesday, Bloomberg cited sources close to the firm as saying that the brokerage will face tighter control from its parent company CITIC Group, which will likely push a restricting and personnel shake-up within the firm.

A CITIC Securities press officer in Hong Kong said the election of a new board would mark a "new chapter" for the company, but declined to comment on any tightening of CITIC Group's control or prospects for restructuring, Bloomberg reported.

Industry analysts said the latest government investigations and departures of its key executives could have substantial impact on the future business development of CITIC Securities.

"Chinese securities firms are heavily reliant on a few key people in the management team. Their departures can even have a disruptive influence. But the rigid and modern internal system at CITIC Securities could help mitigate some of the negative effects," an analyst at a leading global consulting firm said on condition of anonymity.

Inside

See more > p16

Company special

Lovol takes 'A Plan' for tractors to international stage

By ZHAO RUIXUE
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The Arbos tractors shoulder Lovol's commitment to developing into a world leader in the off-road machinery equipment industry."

Wang Guimin, president and general manager of Lovol

tractors feature many high-end technologies including a power shift transmission with proprietary intellectual property rights owned by Lovol.

'A Plan' evolution

An antique-class tractor bearing the Arbos brand was also on show at Agritechnica, introducing the story of how the brand grew from a small family firm into a world-class company.

According to the company, Arbos was developed from Bubba, a workshop founded by the Italian Bubba family in 1896 to manufacture farm implements such as threshers. Arbos renamed the company Arbos Bubba and its business was streamlined in 1956 to focus on agricultural machinery and products bearing the Arbos brand. Last year, Lovol took over Arbos.

During the past century, the Arbos brand presented many classic products to the world. In Europe, Arbos owners drive their tractors and harvesters to the Arbos Bubba fair every year, demonstrating the important influence of Arbos products across the continent.



A Lovol Arbos tractor is tested in a field. PHOTOS PROVIDED TO CHINA DAILY



Lovol presented its state-of-the-art Arbos tractors at Agritechnica, the world's leading exhibition for agricultural machinery and equipment.

China's connection with Arbos dates back to the 1970s when China sent its first official delegation to Italy after the two countries established diplomat-

ic ties in 1970. The delegation visited Arbos, hoping to learn from the company's advanced technology to introduce agricultural machines to China.

Pace accelerated

By showing tractors bearing the Arbos "A" logo at the Agritechnica exhibition, Lovol's plan for globalization was offi-

cially unveiled after five years' preparation.

Four years ago, Lovol started a research center in Europe to develop new technologies for producing tractors, harvesters and high-end agricultural implements. The company also formed a team with more than 200 high-end professionals working in research and development, production and marketing.

To upgrade its technologies and product quality, Lovol purchased both Arbos and MaterMacc in 2014.

After first purchasing Arbos, Lovol bought MaterMacc, also based in Italy, in December. MaterMacc focuses on the design and production of precision pneumatic sowing machines to sow vegetables in open fields and greenhouses and sow grain, inter-row weeders and fertilizer spreaders. In buying MaterMacc, Lovol inherited property rights for electronic control equipment and sowing machines.

By acquiring the two European agricultural machinery brands, Lovol is able to sharpen its global competitiveness in the sector of high-end agricultural equipment by integrating Arbos and MaterMacc's advanced technologies and the European elements of the Arbos and MaterMacc brands to enrich Lovol's brand profile.

Lovol has advanced global digital factories producing agricultural equipment in China, an efficient marketing service network covering both Chinese and overseas markets and the company enjoys a good reputation in the field. Meanwhile, Arbos has nearly 100 years of history and a sound foundation. The Arbos and MaterMacc design philosophies will provide immeasurable value to Lovol, said Wang.

Armed with world-class technologies, Lovol founded

the Lovol Arbos Group on Sept 15.

Wang said the company's "A Plan" is the first stride in Lovol's plan to become a global first-class agricultural machine producer.

Brand globalization

Lovol will develop the Lovol Arbos Group into a center for the company's European and American business, integrating research and development, purchasing, manufacturing, marketing and management.

Experts regard Lovol's process of going global as an ideal model of the Chinese equipment manufacturing industry upgrading its development structure to be competitive on the global stage rather than merely being large in terms of industrial scale.

In brief, Lovol's globalization course is driven by technology and brands as the company sets its sights on technology, research and development, innovation and product quality, Wang said.

"Compared with those that directly establish plants overseas and those simply dependent on domestic teams to merge with overseas companies, Lovol's 'A Plan' requires less capital and is much steadier," he said. "This process can achieve cultural integration in an efficient way."

Lovol, located in Weifang, Shandong province, is an equipment manufacturing enterprise engaging in agricultural equipment, construction machinery, vehicles, core components and financial services. The company's sales revenue reached 21.98 billion yuan (\$3.45 billion) in 2014.

Lovol has been identified as a National Key High-Tech Enterprise and its engineering and technology research institute is identified as a National Certified Enterprise Technology Center.