

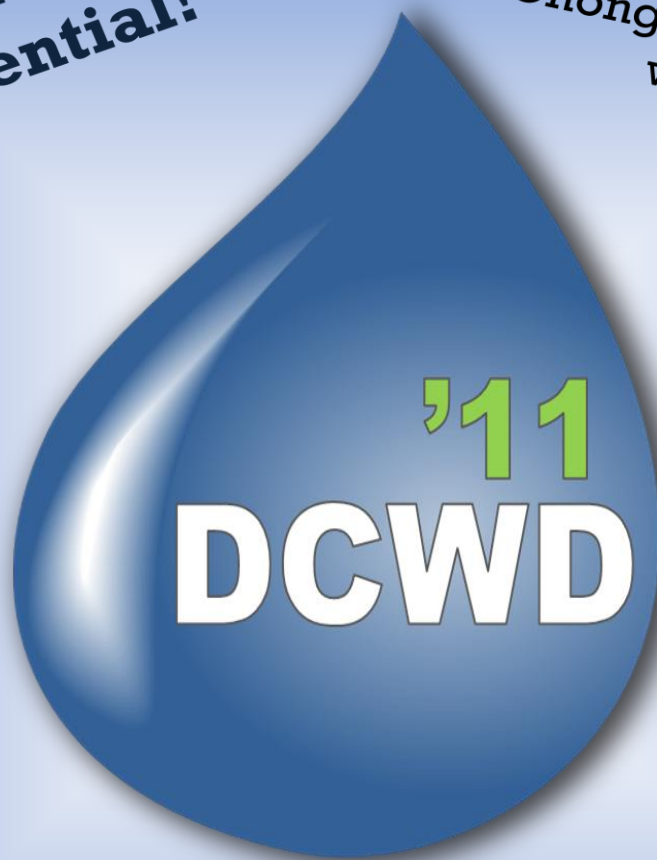
INVITATION

Denmark-Chongqing Water Days

November 28th - 30th 2011

Discover the huge
potential!

Get updated on
Chongqing's new 5-year
water plan!



Specialised B2B match-
making workshops!

Trip to the Liang Tan River
to meet your customers!

THE TRADE COUNCIL IN CHINA

BEIJING, SHANGHAI, GUANGZHOU, HONGKONG, CHONGQING



4th Annual Denmark-Chongqing Water Days

Business Opportunities in Chongqing's Water Sector

The Trade Council invites Danish technology and consultancy companies interested in the water sector to join us in China's largest municipality, Chongqing, from **November 28th-30th 2011**.

Activities included in this program:

- Introduction to the latest water plans and policies, by Chongqing authorities
- Presentation of potential areas of cooperation, by Chongqing Water Group and Chongqing Water Investment Group - the two largest water-developers in Chongqing
- Presentation on the current demands in the water market, by water design institutes, some of the most market-oriented institutions, which also are important equipment promoters
- Introduction to the current development within the field of water technology, by leading professors
- Presentation on Danish water technology, by the Danish participants
- Presentation on establishment of assembly and manufacturing facilities in Chongqing, by the Danish Consulate
- Presentation of results of Environmental Audits of five metal plating enterprises along the Liang Tan River and resulting business opportunities, by COWI-China
- B2B match-making workshops
- Site-visits to waste water treatment facilities, waste water customers, and international water cooperation institutes

The Trade Council encourages contact with the local water developers, design institutes and/or environmental companies in advance in order for your company to have something concrete to work with once in Chongqing. The Trade Council will of course help to facilitate these dialogues.

Please confirm before October 15st 2011

Participation fee for joining DCWD11 is 12.500 DKK per company with up to three participants. An Early Bird discount of 20% (**net 10.000 DKK**) is available upon receipt of confirmation before October 15th.

Note: The participation fee covers the Trade Council's organization of the general programme and meetings on Nov. 28th-29th (not Nov. 30th), including logistical arrangements for your stay in Chongqing. Travel and hotel expenses are **not** included.

- Participants will have to arrange their own flight to and from Chongqing
- The Trade Council will facilitate hotel booking at a very attractive price



Program for Water Days 2011

Monday Nov. 28th

08:40	Opening ceremony
09:00	Introduction to the latest water-plan and policies, by Chongqing authorities
09:20	Presentation on areas of potential cooperation, by Chongqing Water Group
09:35	Presentation on areas of potential cooperation, by Chongqing Water Investment Group
09:50	Q&A
10:05	Coffee break
10:15	Presentation on the current demands in the water market, by water design institutes, some of the institutions most in-sync with the market, which are also an important equipment promoters (2-3 institutes presenting on domestic water, industrial water and river water)
11:00	Introduction to the current development within the field of water technology, by two leading professors within the fields of domestic water-use, industrial water-use and river water recovery
11:45	Q&A
12:00	Lunch
13:30	Presentation on Danish water technologies
15:00	B2B match-making workshops
<i>Evening</i>	Dinner with local VIPs

Tuesday Nov. 29th

09:00	Presentation on the establishment of assembly and manufacturing facilities in Chongqing, by the Danish Consulate
09:15	Presentation of results of Environmental Audits of five metal plating enterprises along the Liang Tan River and resulting business opportunities, by COWI-China
11:00	Site visits to: <ul style="list-style-type: none"> • The online environmental-monitoring lab of Chongqing Environmental Protection Bureau (morning visit) • Some of the factories along the Liang Tan River, on which COWI has done environmental audits (afternoon visit) • The water plant by Chongqing Sino-French Water Co., Ltd., which is a joint-venture between Chongqing Water Group and Sino-French Water Investment Co., Ltd. under France Suez Group (afternoon visit)
<i>Evening</i>	Concluding meeting followed by dinner

Wednesday Nov. 30th *Optional (facilitation by the Danish Consulate can be arranged)*

<i>Morning</i>	Continue individual B2B talks, or city tour of Chongqing
<i>Afternoon</i>	Depart Chongqing



Why Chongqing?

Chongqing is one of the fastest growing cities in China. The local economy has doubled from 2006 to 2010, and with an expected GDP growth of 17 pct. for 2011 this development seems to continue. The growth is driven by the Central Government's "Go West"-strategy and a demand from enterprises that want to enjoy lower costs and rising market opportunities in the western region. This impressive development gives a lot of opportunities for Danish companies to benefit from the initiatives in Chongqing's 12th five-year plan and the water market in Chongqing.

Chongqing's 12th Five-Year Plan on Water (2011-15)

- **Waste water treatment:** 215 waste water treatment plants, 34 sludge treatment projects and seven water recycling projects will be established or expanded; in addition 16 waste water treatment plants will be upgraded. The total investment will be 18.9 billion RMB.
- **River treatment:** Three of the main rivers in Chongqing (Yangtze River, Jialing River and Wu River) will be treated; more than 3000 km² of tributaries and more than 200 km² of small rivers will be treated. In total 148 middle- and small rivers, with 300 key treatment projects, will be carried out.
- **Establishment of reservoirs:** Three large reservoirs (Yu Tan, Jin Fuo Mountain and Guan Jinkou) will be built and the preparatory work for another large reservoir (Qi Jiang Zao Du) will be finished; 40 middle-sized reservoirs will be started while 30 will be finished.
- **Water supply:** The second phase of drinking water purification in the downtown areas of Chongqing and water supply facilities improvement in the districts, counties and urban areas will be finished. Three projects for water abstraction and pumping stations will be finished; furthermore, one of the projects also includes water treatment and water distribution systems.

The Water Market in Chongqing 2010-2012

Waste Water Treatment

- There are 17 secondary rivers and four other rivers in Chongqing, which must be treated by the end of 2012. Over the coming two years 5.56 billion RMB will be invested in these rivers. The existing 50 waste-water treatment plants need upgrading.
- The 18 industry parks around Chongqing must have waste water treatment facilities, and online supervision systems must be set up.
- In the coming two years 134 small waste water treatment plants will be established in counties and towns.

Water Supply

- The current water supply needs improvements to secure the water quality.
- More than five water supply plants, with a daily supply-capacity of 60,000 m³ will be established over the coming two years.

Other

- Within the next three years a water-reservoir with a storage-capacity of 100 million m³ and a water power plant with a capacity of 600,000 KW will be finished.



Preferential Policies in Regards to Water Companies

- There is no value-added tax (VAT) for the enterprises within water supply and wastewater treatment.
- No business tax for technology transfers.
- The corporate income tax of all industrial enterprises in Chongqing is 15%, lower than the 25% income tax outside this region.
- If the company is working within public wastewater treatment, public waste treatment, bio-gas, comprehensive development and utilization, technology renovation, energy savings and emissions reduction, sea-water desalination and the like, the company will be exempt from paying corporate income tax for the first three years the company makes a profit, and for the three years after that the corporate income tax will be half.

Political Goodwill to Denmark from the Chongqing Government

In 2009 the Danish Embassy and the Municipal People's Government of Chongqing signed a *Memorandum of Understanding (MOU)* in energy saving and environmental protection, economic and trade co-operation and technology transfer.

This MOU recognises that strengthening the economic and trade-cooperation relationships and promoting cooperation in energy-saving technology and environment protection can provide mutual benefits. The MOU focuses on the following areas:

- Waste water
- Solid waste
- Recycling
- Energy saving and recovery
- Renewable energy

Arranging these Water Days is one of the Danish opportunities in the MOU for Danish stakeholders. The most important obligation on the Chinese side is the Chongqing government's consent to promote and extend trade and investments of Danish enterprises in Chongqing.

Danish Water Days - a Tradition in Chongqing

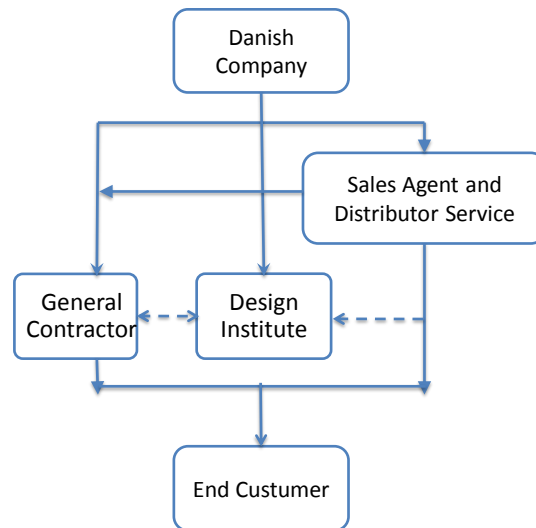
There have been Danish water-events in Chongqing annually since 2008, and the *Water Days 2011* marks the fourth event held within the field of water.

The most recent water-event was held in January 2011, where amongst others the Danish Ambassador participated along with leaders from Chongqing Water Investment Group and Chongqing Urban Management Committee. Previous water events have had participants from companies such as COWI, DHI, Grundfos, Danfoss, AVK, VCS Denmark and Novozymes.



The importance of local stakeholders

There are several sales channels that can be used by Danish equipment-providers to enter the Chongqing-market. Please see the following flow chart:



General Contractor

The general contractor's contract is with the end-customers, and can be within fields such as construction, renovation or demolition of water transportation buildings, urban water pipeline system, waste water treatment plants, water supply plants and other civil structures. The general contractor is responsible for the designs and methods used in the execution of the project, and must be in accordance with the contract. In addition to this, construction materials, labour, water equipment and services are also supplied by the general contractor. Contractual documents usually include budgets, general and specific conditions and the plans and specification of the project, which are prepared by engineers of the general contractor itself or a design institute.

Chongqing Water Group, Chongqing Water Investment Group and large design institutes are usually the general contractors.

In order to cut costs and to increase efficiency, many general contractors subcontract parts of the work to other companies, who specialize in the work needed. It may therefore be beneficial to Danish companies to establish partnerships with the general contractors in order to become suppliers of equipments and materials.



Design Institutes

Besides traditional marketing channels, the role played by the design institutes in the Chinese market cannot be ignored. In effect this means that most end-customers will use design institutes in the process of designing the treatment or supplying processes, creating the list of technology and equipment to be used, and the like. In many cases the end-customers do not have precise information on the relevant technologies; for this reason they tend to rely on the design institutes, so design institutes have a big say in deciding which company's technology will be used. In addition, several large design institutes work as general contractor themselves. Last but not least, most of design institutes usually have orders throughout China, not only from Chongqing; so it is important for Danish companies to establish close relationships with the local design institutes, especially the large-scale municipal and architectural design institutions with top qualifications.

Sales Agent and Distributor Service

Local environmental companies are usually having good sales performances by acting as technology cooperation partners or distributors; they are usually quite informative and resourceful too. In addition they have easy access to end-customers and to local authorities why they can help foreign companies land orders.

With the economic development in over the past 20 years, more and more people care about the quality of household water. People are willing to buy some small-scale equipment to improve the water quality. Likewise, many public buildings are also willing to invest money in buying advanced equipment to improving the level and quality of their water. Therefore, for this type of end-customers market-entry via sales-agent and distributors are probably the quickest way to enter Chinese market.

Professors at Universities

Professors within the field of water at local universities usually participate in large projects, as a part of their academic research. Some of the projects are from central and local governments, and some are from large design institutes. Projects are usually innovative and participants come from the large network of students who working and interning in various government water sections, large water developers and design institutes. They are also working as senior technology consultants for large water projects.

Chongqing Water Group and Chongqing Water Investment Group

Both Chongqing Water Group and Chongqing Water Investment Group focuses on water supply, water discharge and water projects, such as construction and operation, with the former working mainly within the urban market and the latter in the more remote areas of Chongqing. Between the two of them they have almost the entire domestic water market in Chongqing covered. In recent years the two have however begun to enter industry water treatment.



Why the Trade Council?

What the Trade Council Offers?

Compared with similar organizations the Trade Council has some important strong points:

- Unique official access to and good relations to local authorities, organizations, and large state-owned groups, as most of the projects are in the hands of large state-owned groups.
- Unique access to local development plans and strategies, and the latest project information.
- Local staff who know how to deal with local business culture and markets, and who are good coordinators between Danish companies and local shareholders and partners.

With these strong-points, the Trade Council can provide services such as:

- Incubator offices
- Product and technology promotions, seminars and exhibition
- Assistance with project tendering
- Assistance with establishment of representational offices, wholly foreign owned enterprises and joint-ventures
- Partners searches (OEM, Technology transfer)
- Customer searches and visits, followed by match-making
- Market surveys
- Distributor and dealer searches
- IPR assistance
- Recruitment

Besides this the Trade Council can provide you with:

- *Eksportstart Vækst*: 65% discount on consultancy in packages of 50 hours of 815 DKK/hour. Applies for companies with less than 100 employees and an annual turnover of less than 100 mil. DDK. For further information, visit www.eksportstart.dk
- *Danish Assembly & Manufacturing (DAM)*: A service aimed at assisting you with establishing an assembly or manufacturing company in Chongqing. Such company should reduce your product costs to China costs levels, often a requirement to generate high business volume in China. DAM concerns strategy-sparring, factory location study, rental negotiation, company registration, recruitment, sourcing and promotion. To view the DAM brochure please request it separately.

Participation Confirmation

Yes, we would like to sign up for:

- Delegation visit to China, November 28th-30th 2011
- Not this time, but interested in other water-related activities in China during 2011-12

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Company information:

Company:	
Address:	
Zip Code:	City:

Participant (1):	Participant(2):	Participant(3):
Position:	Position:	Position:
Phone:	Phone:	Phone:
E-mail:	E-mail:	E-mail:

Date:

Signature:

Please submit to the Royal Danish Consulate, Chongqing by fax **+86 23 6372 5284**, att.: Joakim B. Andersen, or by e-mail, joand@um.dk preferably before **October 15st 2011**.

Please also provide a one-page company profile for the event booklet.



Previous participants:

	 <p>CSRCAPITAL CAPITAL WITH CONSCIENCE</p>
	
	
 <p>novozymes[™] Rethink Tomorrow</p>	
	 <p>Miljøministeriet Miljøstyrelsen</p>

