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ANRS Newsletter

Associação Amigos da Nova Rota da Seda

Trade and the New Silk Road: opportunities, challenges, and solutions

On 13th of August, it was published online (site Taylor&Francis Online) an article written by Yuan Li and Hans-Jörg Schmerer, talking about the trade opportunities and challenges with the new silk road initiative, and the respective solutions for the upcoming difficulties.

Abstract: More than 2000 years ago, the ancient Silk Road was a major trade link between the East and West. However, technological change and dramatic declines in transportation costs have since made it obsolete as container shipping and the advent of cargo flights have shifted trade from the surface to the sea or air. Nevertheless, China recently announced a new initiative that aims at establishing new connections between Europe and Asia, which are bypassing more modern transport routes in favor of railway connections. This special issue is dedicated to research related to this new initiative

Source: [Article of Trade and the New Silk Road](#)

China's Transition to a New Economic Model is Actually Going Well

China's long-term economic policy goal is to move from a model where growth is driven by exports and traditional industry to one where it is driven by consumption, services, high-end industry and new technologies.

It is often claimed that this transition will fail, and that there will be a hard landing in China and a debt and banking crisis.

In reality, this transition is going satisfactorily:

- *The structure of the economy is shifting as desired;*
- *Growth remains vigorous and the main growth driver is not fiscal deficits or credit but household consumption;*
- *The weight of traditional industry is declining, but it is not collapsing and its structural situation has improved (it is no longer in deflation);*
- *Industry is climbing up the value chain and the new technologies sector is growing.*



Source: [Natixis Economic Research](#)

China M&A Activity Fell 20% in 1H2017, Increase in Transactions

Total M&A activity in China fell to US\$283 billion in the first six months of 2017 – down from US\$355 bn in the second half of 2016.

The total value of deals was down across the three main sub-sectors (strategic, financial and outbound), according to PwC's M&A Mid-Year Review and Outlook 2017. But while **outbound deals fell 13% in value terms, the number of transactions actually increased by 8%.**

“The absence of high profile mega-deals has clearly affected the overall value of M&A activity,”

says David Brown, Transaction Services Leader for PwC China and Hong Kong. “But the fact that the volume of outbound transactions is now at a record high indicates that deals with a sound strategic rationale are still encouraged.”

Fewer mega-deals

Under widely publicized curbs, outbound M&A fell 13% in value terms. This was the result of there being fewer mega-deals – 15 in 1st Semester 2017, compared to 23 in the previous period. However, the volume of transactions was maintained or increased across the three main outbound sub-sectors – SOEs, POEs and financial buyers. Deals with a clear strategic rationale continued to win support: Technology was the leading sector in terms of volume of deals.

Looking forward, PwC expects a slight slowing in 2nd Semester 2017. This is partly because the 19th National Congress in November may encourage a ‘wait and see’ attitude. However, overall activity remains robust and there should be further growth in 2018.

Source: [M&A 2017 mid-year review & outlook](#)



BRICS countries Meeting in Xiamen, China

Presidents and prime ministers from the BRICS (Brazil, Russia, India, China and South Africa) are meeting from Sunday till Tuesday (September 3-5, 2017) in Xiamen for the group's 9th annual summit. Egypt, Kenya, Tajikistan, Mexico and Thailand also join as guest countries.

23% of global GDP

The BRICS, which accounts for more than 40 per cent of world population, now stands already has significant clout and dynamism accounting for 23 per cent of global gross domestic product in 2016 — up from 12 per cent a decade ago.

China's theme for the event — 'Stronger Partnership for a Brighter Future' — will discuss measures for how Brics could become an even bigger player and help spearhead a campaign for greater economic globalization.

President Xi Jinping call on the BRICS to play a bigger role in world governance, reject protectionism and inject new energy into tackling the gap between the world's wealthy and developing nations, and oppose a growing tide of protectionism across the world

Source: [BRICS 2017 China](#)



Participation of ANRS Members at the Traditional Medicine Forum

The two ANRS members, Prof. Fernanda Ilhéu, and Dr. Fréderico Carvalho participated in the Traditional Medicine International Cooperation Forum in Macau, during 27th and 28th of September.



EVENTS OF ANRS

Maritime Opportunities and Cooperation between China and Portugal

Location: Auditório Montepio, Lisbon
Date: 6th of September



ANRS Meeting with Xinhua Agency

Location: Fundação Casa de Macau, Lisbon
Date: 16th of September

