



Kreab Gavin Anderson

China's Media Landscape

March 2010

Kreab Gavin Anderson is a global leader in strategic communications

- Integrated global offering of financial communications, corporate communications, government relations and public affairs
- The most comprehensive global office network of any specialist firm
- The leading specialist firm across Asia-Pacific for strategic communications advice
- Advising top multinational companies, in particular those from northern Europe, on their inbound communications in China since 1992. We take a unique approach that combines public affairs & corporate communications tactics to help our clients achieve their business objectives
- Extensive track record in M&A, IPOs, secondary offering and restructuring communications

Our Beijing office

- A multinational member team with Chinese and English speaking consultants
- Long history in China since 1992 and experience in helping Chinese companies and the government communicate with international audiences
- Extensive relationships with China bureaus of foreign media who will report on Chinese companies looking abroad
- Strong inbound and outbound public affairs capabilities
- Extensive expertise on strategic transactions, including M&A, and IPOs

Global presence



- Operating as a “one-firm” firm – seamless global client service
- Over 350 highly experienced professionals
- 40 nationalities in 30 offices
- 500 clients

Our Capabilities in China

Public Affairs

Government Relations
Lobbying
Media Relations
Policy & Regulatory
Monitoring
Opinion Research
Influencer Mapping
Corporate Responsibility
Sponsorships
NGO Relations
Coalition Building
Trade Issues
Contracts / Procurement

Corporate Communications

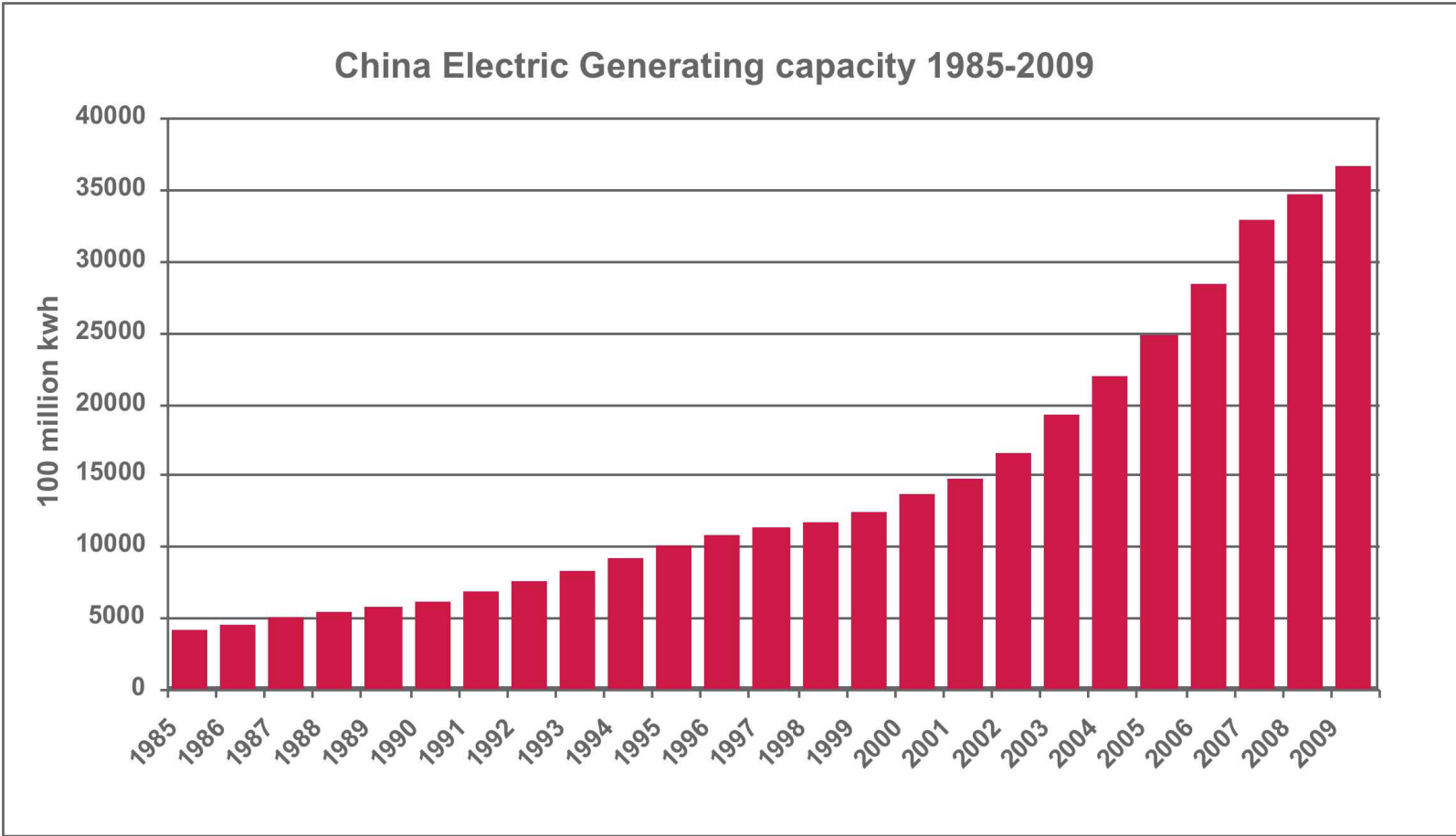
Corporate Positioning
Branding
Executive Visibility
Profile Raising
Media Relations
Employee Relations
Reputation Management
Media Training
Web Site Content
Crisis Communication
Litigation & IPR Support
Internet Word of Mouth
Campaigns

Financial Communications

Mergers & Acquisitions
- Hostile and agreed
Restructurings
Bankruptcies
Divestitures
IPOs
Secondary Offerings
Equity Listings
Investor Outreach
Targeting/ Research
Road Shows
ADRs

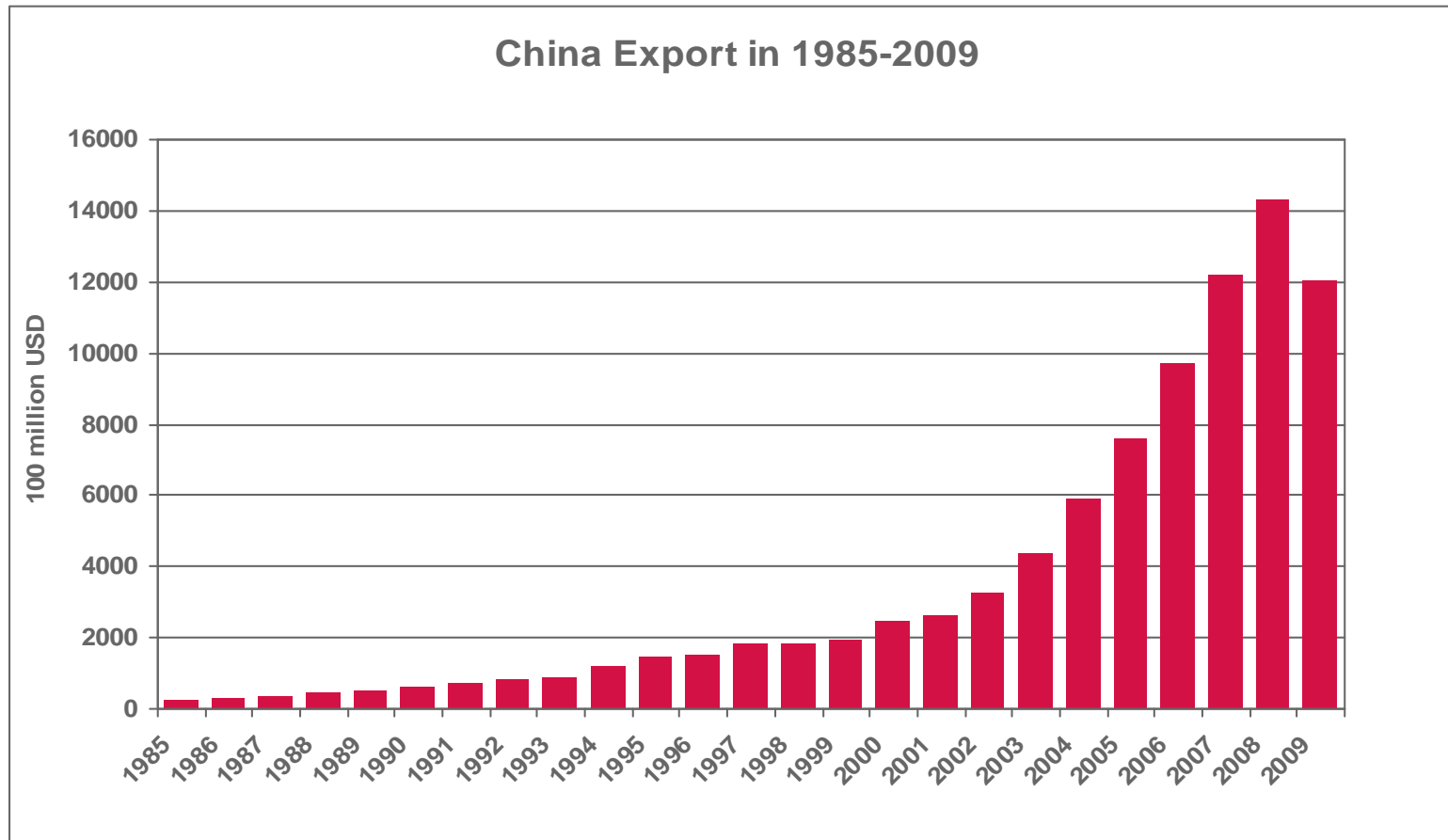
The growth economy

Electricity Generating Capacity



Source: the State Statistics Bureau of China

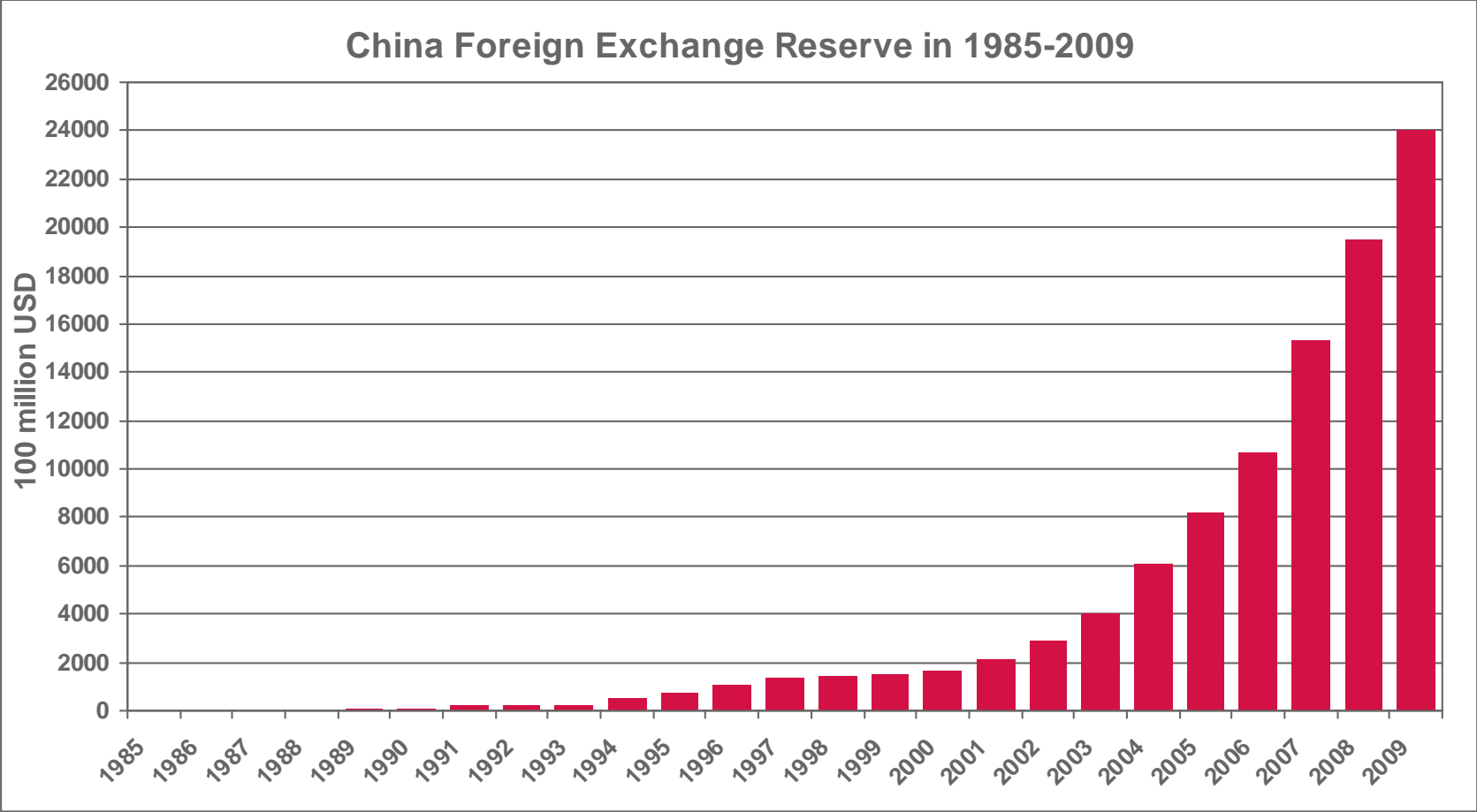
Exports



Note: China surpassed Germany as the world's largest exporter in 2009. Germany's 2009 export number was US\$1,121.3 billion, compared with \$1,201.6 billion for China.

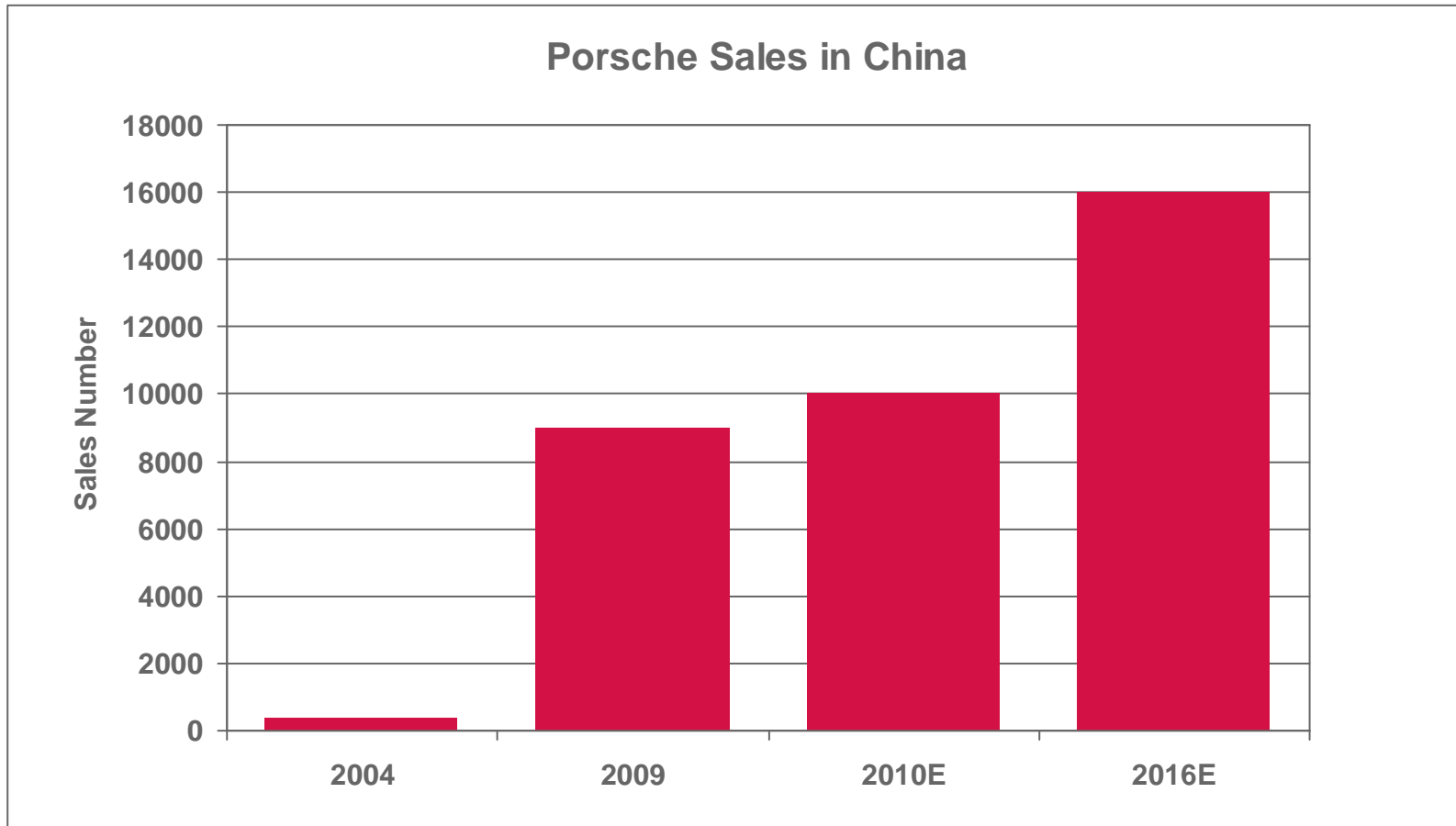
Source: Ministry of Commerce of China, People.com

China Foreign Exchange Reserves



Source: State Administration of Foreign Exchange of China

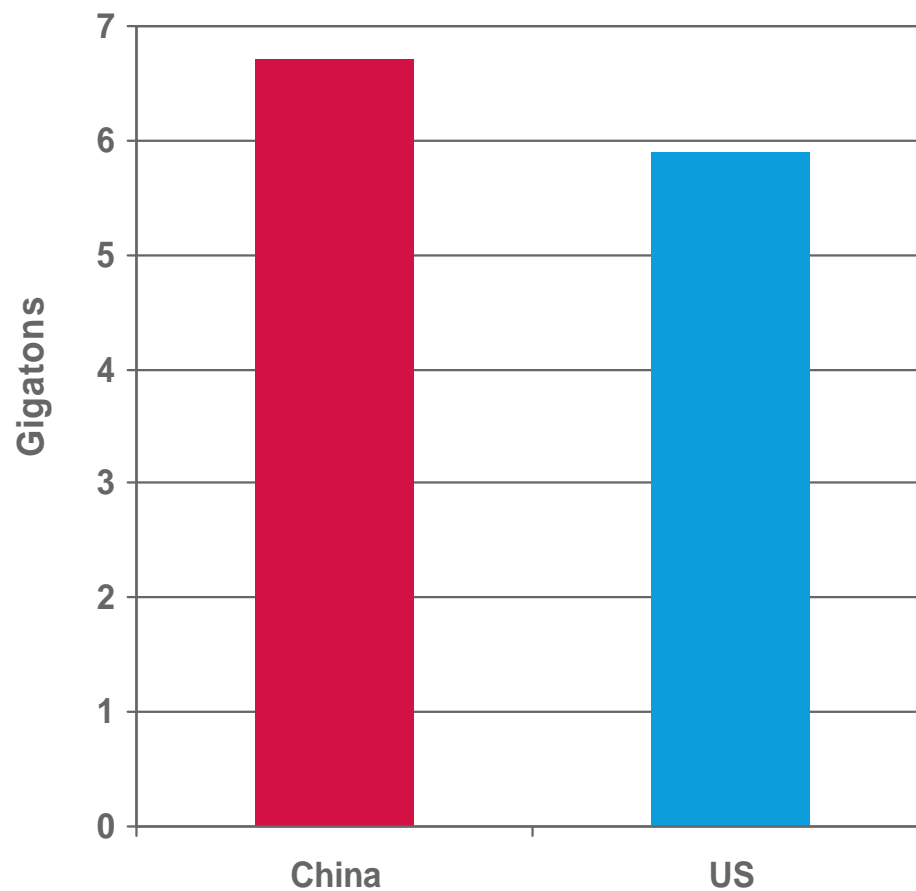
Porsche Sales in China



Source: Porsche

CO2 Emissions: China vs. the US

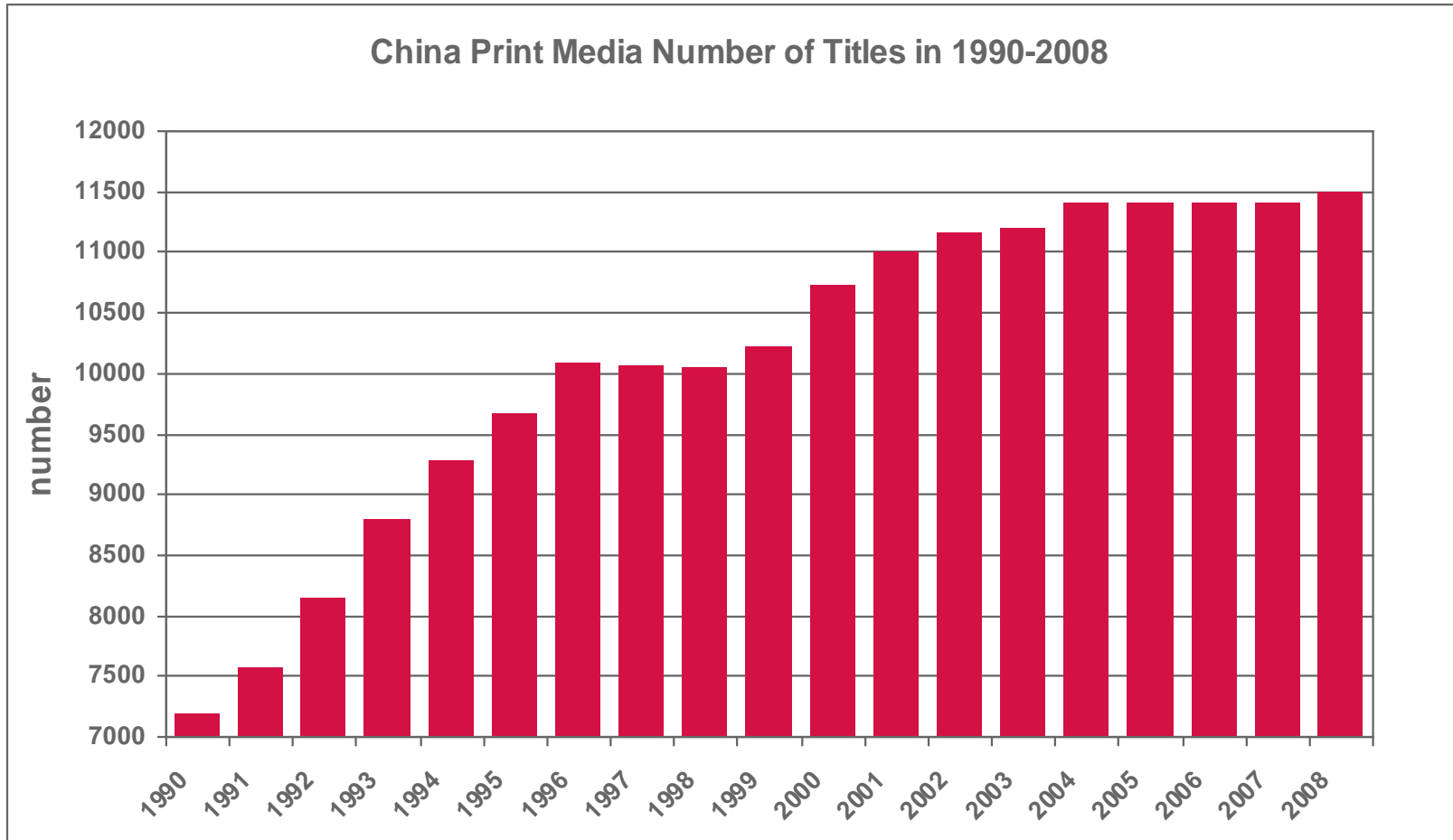
Annual CO2 Emissions (2007)



Source: the Netherlands Environmental Assessment Agency (MNP), 2007

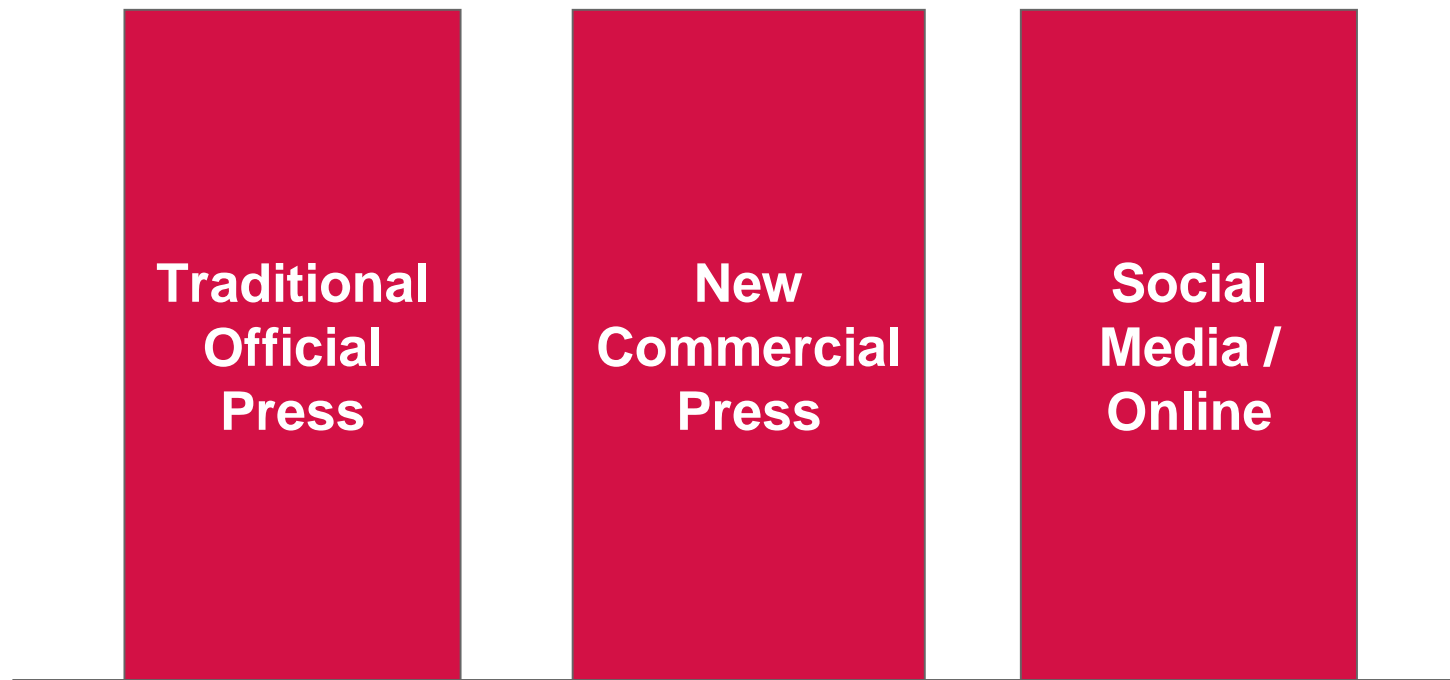
The Media Landscape

Chinese Media Growth



Source: General Administration of Press and Publication of China

Three pillars of the Chinese press



Official media: a crucial “alternative”

- What unique to China is its official media composed of Party and “ministry” media with “alternative” channels.
- These media are still widely circulated among government and the state-owned sector’s decision-makers:
 - Official “ministry” related media: losing circulation, but still very influential among party cadres, government officials, regulators, and major executives from SOEs.
 - “Alternative” channels: official media have a special limited circulation edition that reaches the political leadership.
- These channels are critical in building brands among the constellation of stakeholders who can enable multinational companies who wish to do business with China’s state-owned enterprises, participate in the policy making process and influence the formation of policy and legislature.

Ministry Media List

No.	Media	Type	Circulation
State Council			
1	Economic Daily 经济日报	newspaper	700,000
2	Economy 经济	magazine	230,000
3	Economic Information Daily 经济参考报 (owned by Xinhua News Agency)	newspaper	16,000
National Development and Reform Commission			
1	China Reform and Development 中国改革报	newspaper	150,000
2	China Economic Herald 中国经济导报	newspaper	100,000
3	China Investment 中国投资	magazine	50,000
4	China Economic Trade Herald 中国经贸导刊	newspaper	50,000
5	Macro Economics 宏观经济研究	magazine	8,000
6	Macro Economics Management (translated name) 宏观经济管理	magazine	n/a
People's Bank of China			
1	Financial News 金融时报	newspaper	300,000
2	China Finance 中国金融	magazine	100,000
3	China Financialyst (sic) 中国金融家	magazine	70,000
4	Financial Research 金融研究	magazine	40,000
5	Financial Accounting 金融会计	magazine	n/a
6	China Money 中国货币市场	magazine	n/a
7	Financial View 金融博览	magazine	n/a
8	Finance Reference (translated name) 金融参考	magazine	n/a

Ministry Media List (continued)

No.	Media	Type	Circulation
China Securities Regulatory Commission			
1	China Securities Journal 中国证券报 (owned by Xinhua News Agency)	newspaper	800,000
2	Shanghai Securities News 上海证券报 (owned by Xinhua News Agency)	newspaper	400,000
3	Capital Week 证券市场周刊	magazine	200,000
4	Securities Daily 证券日报	newspaper	n/a
China Insurance Regulatory Commission			
1	China Insurance News 中国保险报	newspaper	100,000
Ministry of Finance			
1	China Financial and Economic News 中国财经报	newspaper	220,000
2	China State Finance 中国财政	magazine	170,000
3	China Accounting News 中国会计报	newspaper	n/a
Ministry of Commerce			
1	International Business Daily 国际商报	newspaper	300,000
2	Foreign Investment in China 中国外资	magazine	22,000
3	International Trade 国际贸易	magazine	n/a
General Administration of Industry and Commerce			
1	China Industry & Commerce News 中国工商报	newspaper	200,000
State-owned Assets Supervision and Administration Commission of the State Council			
1	National Property Management (translated name) 国有资产管理	magazine	n/a
2	State-owned Company (translated name) 国企	magazine	n/a

Chinese Media Overview

Other Official and Ministry Media:

- Chinese ministry media have extraordinary resources, expertise and influence on their specialized sectors

中國證券報

(CSRC/Xinhua)

上海證券報

(CSRC/Xinhua)

中国保险报

CHINA INSURANCE NEWS

(CIRC)

中國財經報

CHINA FINANCIAL AND ECONOMIC NEWS

(Ministry of
Finance)

金融時報

FINANCIAL NEWS

(PBOC)

中國金融

CHINA FINANCE

(PBOC)

經濟參考報

(Xinhua)

中國改革報

(NDRC)

中國經濟導報

(NDRC)

國際商報

(MOFCOM)

Chinese Media Overview

Business Media Overview :

- Chinese business press are considered as new, professional and energetic media in the Chinese landscape.
- They have gained considerable recognition from Chinese intellectual readers and have rising influence on decision makers.
- They all have good online services, which further expand their influence on Chinese web users.



Chinese Business Media Growth

Influential Financial Media

Magazine	Launch	Circulation				
		2006	2007	2008	2009	2010
Caijing	1989	225,000	225,000	225,000	225,000	300,000
The Economic Observer	2001	n/a	n/a	690,000	780,000	790,000
21st Century Business Herald	2001	629,200	631,800	665,800	762,000	843,000
(New) Century Weekly	2010	n/a	n/a	n/a	n/a	200,000
Chinese Business News	2004	650,000	680,000	704,000	796,000	n/a (will be released in mid Mar)

Chinese Media Overview

Mass Media Overview :

- Chinese mass media have high circulation numbers, targeting local readers and focusing on local stories.
- For key economic events, these media are more cautious and often play it safe by carrying stories by Xinhua directly.
- However, they may play a major role when a cross-border deal is under scrutiny vis-à-vis the national interest.

东方早报

南方都市报

京华时报

重庆晚报

周末画报
MODERN WEEKLY
INTERNATIONAL
NEWS, BUSINESS & LIFESTYLE
www.modernweekly.com

新京报

南方周末

Coverage: Who Sets the Tone? And How?

Government and Party Departments (including branches at provincial and municipal levels)

- State Council Information Office
- Propaganda Department of the CPC Central Committee

Role: Providing directives on policy and major issues and censoring news coverage

Top “Think-tanks”

- China Academy of Social Sciences (including branches at provincial and municipal levels)
- State Council Development and Research Centre
- Research Institutes at different ministries and provincial governments

Role: Experts from these think-tanks publish articles / papers and take interviews with the media to articulate policy issues

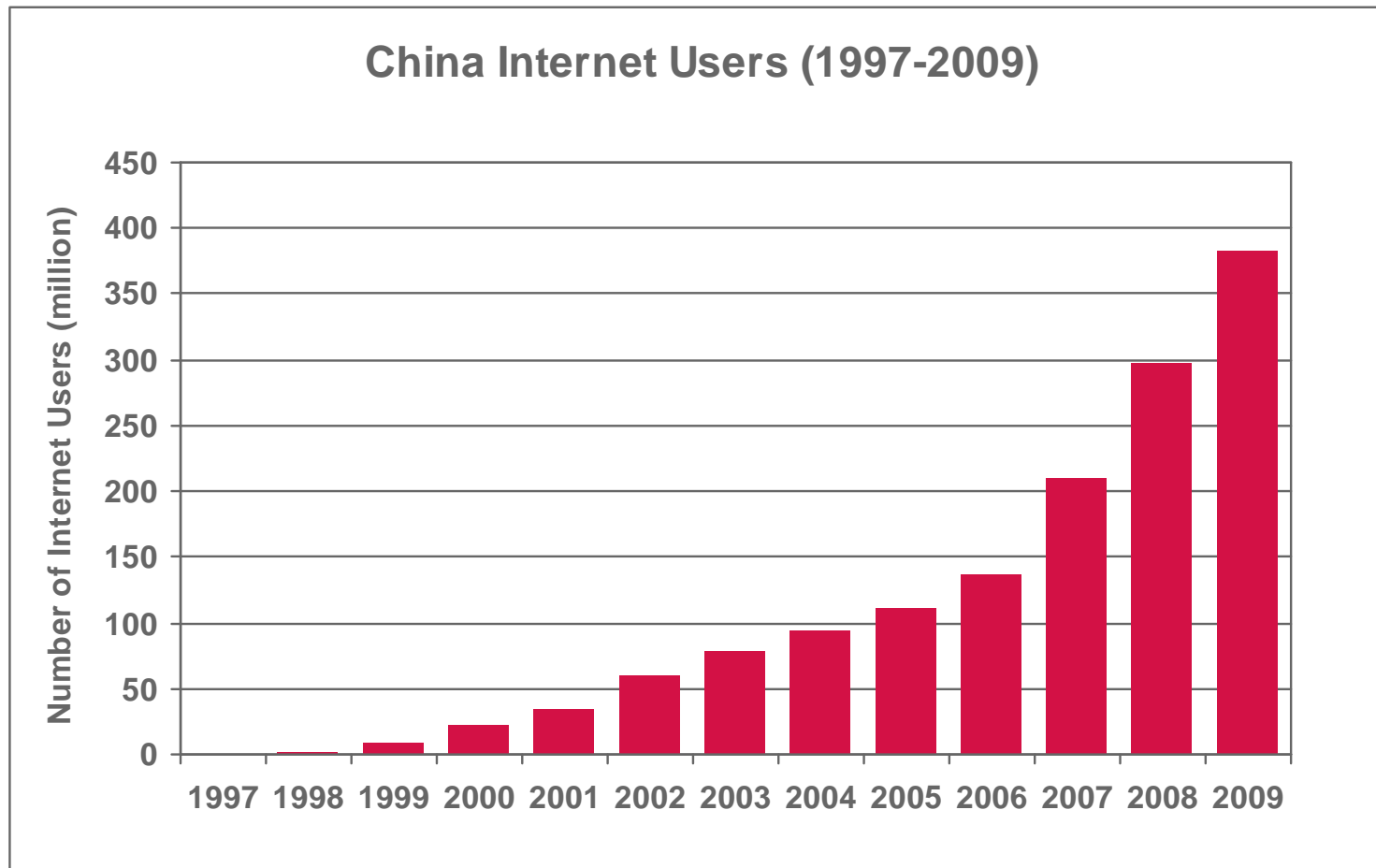
Top level Propaganda Organs, with ‘Alternative’ circulations:

- Xinhua News Agency
- People’s Daily
- CCTV

Role: Push propaganda organ’s directives by publishing editorials and major reports that set the tone of domestic media.

China's New World of Online & Social Media

Internet Users



Source: China Internet Network Information Center (CNNIC)

Chinese Media Overview

Online and Social Media Overview

- Chinese online media are now a key communication channel today, survey said 80.1% Chinese web users read news stories online.
- However, online media (aside from sites run by newspapers) are not authorized to author their own stories, so their contents rely heavily on traditional media.
- Social media, including Bulletin Board System (BBS) and blogs, are more and more important and influential in Chinese media landscape.



Chinese Media Overview – Trends

- Online media have a large readership, with 384 million million readers online
- Online and social media playing a more important role to deliver public messages to decision makers, and vice versa
- The Chinese government is saavy in its use of online and mobile media.
- Prime Minister Wen Jiabao recently used an online chat format to help set the tone for the National People’s Congress in Beijing.
- A massive effort, including blast SMS, was made to drive traffic to the site for the live chat.

The power of the internet

- Huiyuan-Coca Cola
- Xugong Heavy and Carlyle
- Carrefour boycott over the Tibet issue
- Naming and shaming of companies after the Sichuan earthquake.

Social Media in China: upending the traditional information flow

Simple, but powerful dynamic at play:

- Poorly coordinated announcements by companies reported by traditional media report with little messaging or support from Chinese officialdom
- Social media rehash story and fill in messaging vacuum with negative, nationalistic commentary
- Traditional media report on what social media are saying, stoking public opinion and further exciting social media.
- This in turn puts pressure on officials who might otherwise face a less politicized environment to act against foreign interests.

Q & A