

Parents who lost son will get 200,000 yuan Couple first to accept Sanlu payout

Fiona Tam

A Gansu (甘肃) couple who lost their infant son in the tainted-milk scandal became the first to accept compensation – 200,000 yuan (HK\$227,400) – and relinquish any future chance of suing over their child's death, state media said.

Meanwhile, dozens of angry parents who have rejected the payouts gathered outside Shijiazhuang (石家庄) Intermediate People's Court yesterday, demanding more compensation from Sanlu Group, the main manufacturer of the contaminated formula.

The five-month-old son of Gansu farmer Yi Yongsheng (移永胜) and his wife, Jiao Hongfang (焦红芳), died last May from kidney failure after drinking Sanlu milk powder since birth. He was believed to have been the first of at least six babies who have died nationwide as a result of drinking the melamine-tainted formula.

Lawyer Shen Xianlei (沈献磊) said his clients had accepted the money from Sanlu Group because compensation handed down by courts was unlikely to exceed the amount awarded in previous verdicts.

He said the average compensation for a death awarded by local courts was only one-fifth of what the couple would receive.

He said parents from developed regions such as Guangdong, where such compensation was much higher, would be likely to reject the offer.

The couple had sued Sanlu for more than a million yuan in October over their baby's death, but Lanzhou (兰州) Intermediate Court refused to accept the case.

Sanlu, which has filed for bankruptcy, and 21 other mainland dairy companies had offered 200,000 yuan to parents who lost their children, 30,000 yuan for serious illness requiring surgery, and 2,000 yuan for less severe cases, Xinhua said.

Many parents who refused the 2,000 yuan one-off compensation vowed to sue the dairies.

One Shijiazhuang mother said her family spent 50,000 yuan to treat their two-year-old son but worried about after-effects. She called the standardised compensation scheme "unacceptable and ridiculous".

Beijing lawyer Xu Zhiyong (许志永) said the arranged compensation was far from the 14 million yuan total expected by his 63 clients.

"Compensation is [the dairy companies'] responsibility rather than alms-giving," he said. "They should solicit parents' opinions before making the decision."

Compensation in the tainted-milk scandal is a sensitive issue, and none of the plaintiffs' suits against the dairies have been accepted by a court.

The melamine was added to the milk to boost its nitrogen content, allowing it to pass testing for protein levels.

Sanlu's former chairwoman, Tian Wenhua (田文华), and two senior managers were brought to trial for producing substandard formula and covering up the scandal, which made nearly 300,000 children ill.

Court sources revealed that sentences would be handed down early next week to quell public anger before the Lunar New Year, mainland media reported.

70pc of women want more than one child

Kyodo in Beijing

Officials are worried that some women's desire to have more than one child could lead to a baby boom on the mainland, state media reported yesterday.

A survey conducted by the National Population and Family Planning Commission showed that about 70 per cent of women would like to have two or more babies, *China Daily* reported.

Couples who were only-children themselves were allowed to have two babies under the nation's strict family planning laws, Xinhua reported, while most families were limited to one child.

Jiang Fan, vice-minister of the commission, said: "Our research shows that 70.7 per cent of women would like to have two or more babies. The figure rose 7.6 percentage points between 2001 and 2006, which indicates a possible baby boom."

He said some women believed that children with no siblings could be lonely or were spoiled.

No details were given of how many people took part in the survey.

Li Bin, minister of the family planning commission, said the mainland was committed to continuing its one-child policy.

"China's family planning policy underpins the country's economy and demographics," she said.

Beijing introduced restrictions on how many children its citizens could have in the late 1970s to try to reduce the country's soaring birthrate. The population grew from 542 million to 963 million between 1949 and 1978.

Restrictions on the size of families are also relaxed for members of the country's ethnic minority groups.

But the heavy-handed enforcement of family planning laws, which can result in steep fines, is sometimes the cause of social tension and protests on the mainland, particularly in poorer rural areas.

Family planning officials hoped their policies would keep the population, which increased to 1.32 billion by the end of 2007, under 1.36 billion by the end of next year, Xinhua said.

In Brief

757 women pregnant after losing children in quake

More than 700 women who lost children in last May's Sichuan (四川) earthquake are now pregnant, state media reported. The women were given special exemptions from the one-child policy, officials from the National Population and Family Planning Commission said. They announced the 757 pregnancies at a news conference, Xinhua reports. After the quake, the Sichuan provincial legislature passed a regulation stating that parents who lost an only child or whose children were disabled in the quake could have another. AP

Holiday to mark Tibet 'liberation'

Beijing has proposed March 28 as a holiday to mark what it calls the "liberation" of Tibetans serfs, state media said. It would commemorate the establishment of the Dalai Lama fled into exile and an uprising in Lhasa (拉萨) was quashed. Reuters

PLA downplays piracy patrol

The PLA Navy's "historic mission" to fend off African pirates signalled no change in the nation's defensive military posture, a senior defence official said in comments published yesterday. "The Somali mission shows China's efforts to undertake its international obligations as a permanent member of the UN Security Council," Huang Xueping (黄雪平), deputy chief of the defence ministry's information office, told *China Daily*. A PLA convoy began patrolling in the Gulf of Aden on January 6. AFP

More aid promised to Malawi

Beijing has pledged more support for its new African ally Malawi, which last year switched its diplomatic allegiance from Taipei. Foreign Minister Yang Jiechi (杨洁篪) said co-operation would increase between the two states, and appealed to other developed countries not to abandon Africa due to global credit woes. AFP



Towering inferno. People look on as a fierce fire consumes a high-rise building under construction in the Chancheng district of Foshan (佛山), Guangdong. The blaze broke out shortly after midnight yesterday. It lasted four hours and gutted the building from top to bottom. Photo: AP

Demand for new homes, cars hit hardest: survey

Will Clem in Shanghai

Consumer confidence in major cities on the mainland has been hit hard by worries about the economy, according to a survey released yesterday.

The demand for cars and new homes has suffered the most, but consumers are also cutting back on non-essential items such as branded fashion goods, entertainment and their grocery shopping.

"Behaviour is changing. People are looking for value for money rather than luxuries," said Sam Mulligan, director of the DDMA market research firm, which conducted the survey. "These are areas where people are going to cut back."

The study surveyed about 500 middle-income earners aged 25 to 45 in five cities: Guangzhou; Beijing; Shanghai; Shenyang (沈阳), Liaoning province (遼寧); and Chengdu (成都) in Sichuan (四川).

Although consumer confidence was generally low across all regions, Guangzhou residents were found to be the most pessimistic. Beijing consumers were relatively unworried.

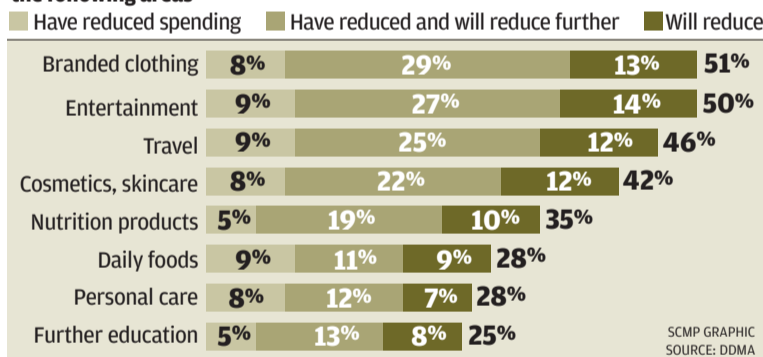
However, Guangzhou respondents tended to be more positive about the longer-term prospects, with 47 per cent expecting to be in a better financial position at the end of this year. "They may feel they have been through the worst of times already and things are bound to get better," Mr Mulligan said.

The poll was an initial benchmark survey to lay the foundations for a monthly tracking study of consumer trends in the five cities.

The company also ran two follow-up surveys, of 1,000 respondents each, asking people whether they planned to cut down on entertain-

Tightening their belts

The percentage of Guangzhou residents who are cutting back on spending in the following areas



SCMP GRAPHIC SOURCE: DDMA

High-end merchants unfazed by cutbacks

Despite news that mainland consumers are planning to cut back on non-essential purchases during the global financial crisis, merchants selling the high-end brands do not appear worried about future sales.

China Luxury Mart 2009 executives who were interviewed this week in Shanghai were relatively upbeat about

the coming year and predicted top-end spending would be able to see them through the tough times.

Alan Way Yi, for Remy Martin's Louis XIII cognac, expected the mainland to remain a growth market for luxury goods despite the global situation.

Will Clem

ment or food shopping, and how they were altering their spending.

The company released key findings of the study yesterday, and its full report will follow next week. Mr Mulligan said the survey had important implications for mainland retailers in the run-up to the Lunar New Year.

"We have to be very careful when we look at numbers," he said. "Recent figures in the US showed consumer spending in December dropped by 3 per cent, which was actually a lot less of a drop than most

people thought it would be. But underlying that is what the retailers had to do ... They had to discount extremely aggressively and cut right into their margins. What they were doing was churning cash instead of making money."

Retailers in Shanghai were already seen employing similar tactics.

"They will get money in the end, but their margins will be considerably lower," Mr Mulligan said.

Lifestyle expansion pushes ahead B2

Protests in wake of financial crisis will be 'better organised'

Ivan Zhai

Another government expert has warned the economic downturn might trigger better-organised protests on the mainland this year, according to state media reports.

Shan Guangnai (单光霁), a researcher with the Institute of Sociology at the Chinese Academy of Social Sciences, said that based on previous overseas experience, the recession could cause an increase in social problems, the Guangzhou-based *Southern Weekly* reported on Thursday. He said the government should closely monitor the trend's impact on "mass incidents".

Though last year was widely considered the one with the most severe "mass incidents" – the government's euphemism for riots and protests – Professor Shan said they had not yet reached their peak. The professor is an expert with the central government's think-tank in Beijing.

Researchers have been following the issues for years, he said, and there was agreement that the government should be prepared for more protests that could have greater organisation than in the past.

Based on cases in Hunan (湖南) and Hubei (湖北) provinces, research suggested that both peasants and unemployed workers were capable of using mobilisation and propaganda strategies, Professor Shan said.

"Some informal or 'invisible' organisations had launched, organised or mobilised mass incidents related to peasants' or workers' living crises," he was quoted as saying, but denied the riots indicated the mainland was facing a social crisis.

It was at least the third time in a month that the media or experts have

Facing hard landing B3

warned about the possible increase in protests and riots.

The Xinhua-owned magazine *Outlook Weekly* said this month that "without doubt, we're now entering a peak period for mass incidents".

It warned that the clash between the government and millions of migrant workers and university graduates left jobless because of the financial crisis would test leaders.

Highlighting the Wengan county riot last June in Guizhou province (贵州) and other intense riots on the mainland last year, the magazine also said last month that the combination of local governments' power and capital had stimulated the social conflicts.

Experts with the Central Party School and other state-owned colleges that teach public administration said that in many cases low-level officials' lack of responsibility had exacerbated the situation.

Protesters in Guizhou, Yunnan (云南) and Gansu (甘肃) torched public security bureau offices and county government headquarters, blocked main streets or directly attacked police officers.

Professor Shan said overseas analysts and low-level mainland officials were reading too much into the mass incidents so far, according to the *Southern Weekly's* report.

He said the overseas analysts were wrong to call the social conflicts "political actions" by the public against the Communist Party. The low-level officials were accustomed to finding excuses for their improper enforcement measures by labelling the mass incidents as "conflicts between the enemy and ourselves".

'Cool' factor sees fitness industry go from strength to strength

Agence France-Presse in Beijing

Aged 35, single and stressed from her hectic job running a restaurant, Qi Quanli is one of the mainland's ambitious class of newly rich who are helping to power the nation's booming fitness industry.

"In the past, I often suffered from insomnia. But now I feel much better. My weight is good, too. No more fat," Ms Qi said after a sweat-drenched workout in one of Beijing's most chic and modern gyms.

She spends close to US\$1,000 a year on her gym membership, a huge sum for many on the mainland considering the average annual salary for urban residents is about US\$2,000.

But even amid the global economic crisis, Ms Qi and many others who earn far more than the average are happy to pay for what in recent

years has become an essential way to relax and socialise, as well as get in shape. "I feel it's worth it for people to pay one-fifth or one-tenth of their income on getting fit," she said. "It gives people good health, it gives people happiness and we can make more friends."

It is this attitude that has seen the nation's fitness industry become, in little more than a decade, a multi-billion-dollar extravaganza of hi-tech equipment and pulsating workout rooms backed by lifestyle magazines, health products and celebrity endorsements.

Outside of luxury hotels, there were very few modern fitness centres in Beijing or other large mainland cities in the late 1990s, said Evolution Fitness managing director Matt Lewis. Now there were 200 to 300 catering for the mass market in Bei-



An instructor leads a fitness class in a Beijing gym. Photo: AFP

jing alone, said Mr Lewis, a New Zealander who helped set up Evolution Fitness in 2001 and now has two centres in the capital.

"It's really expanded quite quickly," he said. "The majority going to them are local Beijing people, middle- and upper-class white-collar workers." Mr Lewis attributed the rise in the popularity of fitness centres to

a general increase in wealth, and people wanting to get in shape after working in office jobs, and to other factors making the industry trendy.

He said that a decade ago there were virtually no mass-market sports and lifestyle magazines or health products that sold the concept of being slim, strong and "cool". Now they are flourishing.

"Those sorts of things have created a lot of awareness," he said.

Adding to the cool factor, celebrities such as basketball hero Yao Ming (姚明) and film star Jackie Chan endorse the Beijing outlet of global chain California Fitness that Ms Qi attends. The chain has opened two centres on the mainland in recent years and is eyeing the nation as its biggest potential source of growth, seeing it as relatively insulated from the global economic turmoil.

"China is going to be the big market in the future for us," said chain vice-president Kelvin Goh. The industry in general would probably be cushioned from the global crisis as people sought refuge from stress by working out, as they did during the Asian financial crisis of the late 1990s, he said.

Official data also appears to back assertions that the nation's fitness industry will grow from strength to strength despite the economic crisis.

Results of the first national survey released by the General Administration of Sport last month showed 28.2 per cent of the population, or 340 million people, exercised regularly and that the number was rising.

But just 18 per cent of those people exercised at a sports facility, leaving the industry plenty of room for growth.