

# The main event

Beijing 2008 is crunch time for Chinese brands looking to make good

In 12 months time, the wait will finally be over. August 8, 2008 will see the lights go up in the new National Stadium on a 16-day sporting spectacle that has been seven years in the making. For China, hosting the Olympics offers a potentially much longer-lasting legacy.

Companies both foreign and domestic are looking to exploit the phenomenal marketing opportunities the event offers. Whether an official Olympic sponsor or an outsider hoping to muscle in on the action, the corporate stakes are very high.

"The Beijing Olympics are probably the most important sporting event of our lifetime for global and local companies," said Greg Paull, principal at marketing consultancy R3, which is conducting tracking research on companies that are looking to leverage the Olympics.

"The CEOs of global companies are going to be spending 10-20% of their time in China over the next year."

Some sectors are obvious winners. The boom in tourism will be good news for hotels and travel agents; construction firms are already benefiting from infrastructure expansion; Chinese media can expect bumper advertising revenues; and sportswear companies – global players like Nike and Adidas or ambitious locals such as Li Ning – can do well largely because of the nature of the event.

But the participants are not limited to the realms of the predictable: In theory, any company willing to shell out enough money for official sponsorship will also profit.

There are three sponsorship levels and, while official figures aren't disclosed, CLSA estimates the prices range from US\$20 million to more than US\$60 million. PC maker Lenovo is China's only



top-tier "world level partner" but eight of the 11 tier-two sponsors are Chinese as well as six of the 10 in tier three.

In addition to this select bunch, there are a myriad of other firms that plan on linking their advertising to the Olympics on an unofficial basis.

For larger Chinese companies looking to use the Olympics as a stepping-stone from a national to global level brand, the targets are pretty clear. All of the companies in the global Top 100 list drawn up by Interbrand, a branding consultancy, bring in at least 50% of their revenues from overseas markets.

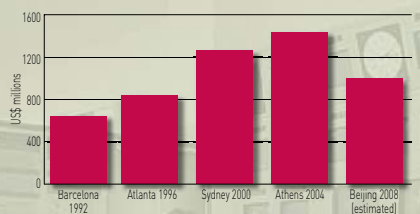
"China Mobile [which is comfortably top of the China internal rankings] only generates a fraction of its revenue from overseas," said Jonathan Chajet, Asia Pacific strategy director at Interbrand.

While the Olympics will undoubtedly help certain companies address this balance, Chajet believes the true winner could be the China brand itself.

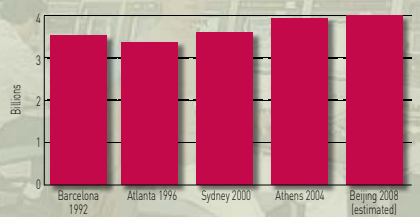
"At present, 'Made in China' means 'cheap and low quality.' The Olympics gives these brands an opportunity to change this perception and be perceived as world class on the global stage. The country brand is inextricably intertwined with companies' global brands."

## Magic numbers

Olympics sponsorship revenue



Olympics television audience



Source: IOC



**PREPARING FOR LAUNCH:** Sports stars at the unveiling of the Olympic torch

ImagineChina

## Rise of the machines

Lenovo sees the Olympics as a means of boosting its international profile

**N**ext June, the Olympic torch will make its way to the summit of Mount Everest for the very first time. The publicity generated will be good for the 2008 Beijing Olympics. It will also be good for Lenovo.

China's leading computer maker is one of the official sponsors of the Olympic torch relay and is also responsible for the design of the torch itself. The company has even signed up the Chinese mountaineering team that will carry the torch up Mount Everest.

This is just one component of a far-reaching Olympic marketing strategy drawn up by Lenovo.

"They have upped the ante more than any other Chinese company," said Greg Paull, principal at marketing consultancy R3, which is conducting tracking

research on companies that have aligned themselves with the Olympics.

Lenovo is the only local firm to be one of the 12 global level Olympic sponsors. Analysts say this honor has a US\$60 million price tag, with another three or four times that in additional ad spend to get full leverage from the event.

"The main objective of doing the sponsorship is to build the Lenovo brand globally," said Alice Li, a vice-president in Lenovo's Greater China brand communications department who is responsible for Olympic marketing. "We have exclusive rights in the computer category to do Olympic-related marketing."

Lenovo is already a leader among Chinese enterprises looking to expand overseas. To a large extent, this position is due to the company's US\$1.75 bil- >>



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## Home help: China marketing

While Lenovo has yet to win over consumers in the US and Europe, it reigns supreme in China. However, most analysts agree that, given its 36% market share, the company's domestic Olympic marketing efforts offer little room for growth. So why is the company spending big in China?

"It means we can penetrate further into tier five and tier six cities," said Alice Li, a vice-president in Lenovo's Greater China brand communications department who is responsible for Olympic marketing.

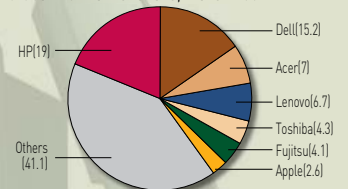
"Last year we did a 'One thousand county Olympic road show,' bringing Olympic history and culture to people living in remote cities. This was an opportunity for them to experience both the Olympic Games and computers."

Li reports that sales in tier five and tier six cities are up 40% so far this year. In addition to road shows, Lenovo is focusing on TV exposure. It is making a string of commercials and is also the title sponsor of CCTV-1's Olympic Games countdown series.

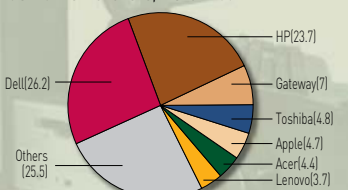
"They have to sponsor internally as it is a China event but really their marketing is more about the non-China market," said Kirk Yang, managing director and head of Asia computer hardware research at Citigroup. "From a stock perspective, Lenovo has to continue growing in the US and Europe."

### Small fish, big pond

Global PC market share, March 2007



US PC market share, March 2007



Source: IDC



RINGS GAME: Lenovo wants to use the Olympics to promote itself globally

>> lion acquisition of IBM's PC division in 2005, which boosted its reputation and international market share overnight.

The acquisition adds a twist to Lenovo's Olympic marketing efforts. Its rights to the IBM name expire within three years so the pressure is on to establish Lenovo as a recognized replacement.

As part of the global sponsorship deal, not only can Lenovo display Olympic symbols on all its products and advertisements across the globe, it will also serve as official IT supplier to the games. A network comprising 20,000 Lenovo computers will be responsible for managing everything from scoring to staffing and in 56 venues across the seven host cities.

"The system we will put in place is equivalent to the IT requirements of a Fortune 500 company," said Li.

### Corporate kudos

Running a large-scale system for such a high-profile event could do wonders for Lenovo in the corporate sector, which accounts for two-thirds of the US market.

"When it bought IBM a lot of the corporate clients were not convinced by Lenovo and its competitors exploited this. Now Lenovo has the chance to show off its IT capabilities," said Kirk Yang, managing director and head of Asia computer hardware research at Citigroup.

However, it is in the international consumer market where Lenovo really has to make up ground.

In the first quarter of 2007, Acer passed Lenovo to become the world's third-largest PC maker by market share, according to IDC. Lenovo did see its slice

of the US market rise to 3.7% from 3.5% last year but it is still trailing global leaders Dell and HP by a significant amount.

The Olympics will prove useful in reaching more consumers. Winning them over is not going to be easy, though.

"They want to turn Lenovo and ThinkPad into Apple and iPod," said Charles Guo, technology analyst at investment bank JPMorgan. "But even when Apple was in its difficult period, it was still quite well known internationally. The Lenovo brand is very weak."

Li believes that getting rid of the IBM logo will not be a problem, provided customers have confidence in the brand.

For Shanghai-based Gartner Group analyst Simon Ye, however, this battle of consumer perceptions can only be won if Lenovo releases more products. He points out that since the IBM acquisition, the Lenovo 3000 is the only own-brand machine to debut in foreign markets.

"All the rest are related to ThinkPad and most international consumers still think these are IBM products," Ye said.

The company does plan on unveiling new models to coincide with Beijing 2008 but precise details remain under wraps. Given that the designers inherited from IBM are still on the payroll, these new products will probably be of acceptable quality. But it remains to be seen how well Lenovo can do in persuading consumers to pay a premium for them.

"The Olympics will help improve brand awareness but this will not translate into increased sales immediately," said Guo. "Olympic sponsorship will not just suddenly change everything."

# Window to the world

Sportswear maker Li Ning's Olympic marketing strategy is precision-planned and very ambitious

Li Ning, one of China's most recognizable brands, is not an official sponsor of the 2008 Olympics, but the company's surgical approach to brand building could see it leverage the games for maximum visibility at minimum cost.

It has avoided expensive shotgun sponsorships, instead targeting teams that are medal hopefuls and sponsoring newscasts that will be watched across the country and even overseas. The ultimate goal is to use the games to give the brand an initial burst of global recognition.

"I don't think that Li Ning will spend large sums of money on the Olympic Games," said Charles Li, an analyst with First Shanghai Securities.

## Hey, big spenders

This is not to say the company didn't seek a larger role – Li Ning and Nike lost out in the official Olympic sponsorship bidding to Adidas, which reportedly paid US\$70 million for the privilege.

The sponsorship could be a boon for Adidas, which is engaged in a fierce battle with Nike, currently the leader in the top-tier cities and in China as a whole, said Greg Paull, principal at marketing consultancy R3, which is tracking Olympic marketing efforts.

Li Ning also trails Nike in these top cities but it has a huge advantage in tier three- and tier-four cities where its network of 4,300 outlets comes into full play.

Brands are not made from sponsorship alone and it is this retail network that anchors Li Ning's Olympic strategy.

"You must open enough outlets so the consumer can buy your product after they see your advertisement," said Tan Wee Seng, CFO and executive director at Li Ning. "People [may] see an advertisement but after three months they forget about it if they don't use the product."

And, while the company has one eye firmly fixed on the international market, the focus remains domestic.

"Although we have a very strong foundation, we have to make sure that we are somebody here before going international because it will be much easier," Tan said. "For the next two years we are still going to be very much focused in China."

Therefore, the objective is to raise Li Ning's stature among Chinese consumers while planting the seeds of international expansion. To this end, the firm is sponsoring teams that could give it maximum international visibility at minimum costs.

It has signed up China's shooting, gymnastics, diving and table tennis teams, which were collectively responsible for 40% of China's gold medals in Athens 2004. Top Ethiopian marathon runner Ambesse Tolossa, Tanzania's track and field team and the Swedish Olympic delegation also have contracts with Li Ning.

In addition, the company has a two-year deal with domestic sports channel CCTV-5 and is hoping some of the programs will be carried by foreign networks, providing a wave of free coverage.

The one gamble with the largest potential payoff is the company's sponsorship of the Spanish and Argentinean men's basketball teams – two of world's top four.

"If these two teams make it to the finals >>



THE MAN HIMSELF: Li Ning with sample of his typical target audience

## ► Size matters: Going global

The largest shoe Li Ning has ever made was for US basketball star Shaquille O'Neal.

"If you come to our office in Beijing you will see it," said Li Ning CFO and executive director Tan Wee Seng.

That one shoe cost thousands of dollars, because the mold had to be built from scratch – Li Ning doesn't make shoes that size for mass production. Indeed, as long as the company is focused on China, it doesn't make economic sense to produce anything over a size 44.

"The most expensive investment in a pair of shoes is the mold," Tan said. "I suspect even the international brands they wouldn't bring these sizes [to China]. When you go abroad you have tens of thousands of customers out there, so you can create the mold, no problem."

This is the type of cost-benefit analysis that the company is wrestling with as it looks to leverage a carefully orchestrated Olympic presence into a global brand name.

An international brand requires a global

supply chain and global market access, as well as a significant portion of revenues – more than 40% – from abroad. In 2006, 0.9% of Li Ning's turnover came from overseas markets.

According to Charles Li, an analyst with First Shanghai Securities, it may be some time before Li Ning can expand globally. "It lacks the channels and talents to explore overseas markets at present."

>> we will open bottles of champagne to celebrate," Tan said.

He believes a gold medal basketball match between Argentina and Spain would represent a return of 10 to one on the company's sponsorship investments.

Li Ning spends 16-18% of annual revenue on marketing. With turnover coming in at just over US\$420 million in 2006, this means the company's annual marketing expenditure is about equal to what Adidas paid for its official Olympic sponsorship package alone.

However, Li Ning is not putting all its eggs in the Olympic sponsorship basket. Two weeks of sporting action is not long enough to transform a brand from domestic to international.

"The management is fully aware that building an international brand is an evolving process," said Wei Xiaopo, an analyst with CLSA. "The Beijing Olympics will pave the way for Li Ning to go international... but in the long term."

**The next step**

The question is how Li Ning will leverage its Olympic exposure into a post-Olympic expansion will be addressed in the company's 2009-2013 strategic plan, said Tan.

But being a big fish in a relatively modest domestic pond is different from being a small fish in the global ocean.

"I don't think Li Ning has made adequate preparations for global development," said Li. "In China, many international firms come from manufacturing industries... Few people believe China will have strong consumer brands."

The company is not sitting still, though. The Olympics may go a long way towards raising its international profile but Li Ning also has deals with other athletes. It sponsors NBA stars Damon Jones and Chuck Hayes and has a co-branding deal with Shaquille O'Neal.

Ultimately, the company wants to morph itself into a global power that is associated with quality products first and China second.

"We don't want to be known as the Nike of China," Tan said. We want to be known as the Li Ning of the world."

**Star power: Signing up sports people**

The Olympic spirit may be all about fair play and but the Olympics business is about getting bang for the buck. Only a handful of Chinese athletes have achieved enough recognition to attract top endorsement deals.

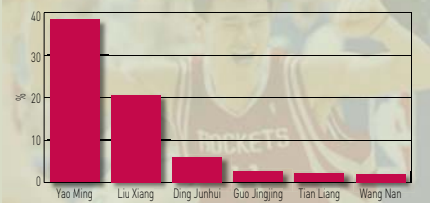
The emergence of top athletes as spokespeople is happening as domestic brands are developing national or even global profiles and international brands are looking for ways to relate to Chinese customers.

"It's all about building association. The power of a star or sporting hero makes a real impact on brand preference," said Greg Paull, of marketing consultancy 3R, which is tracking Olympic sponsorships. "The problem is that the top two guys [Yao Ming and Liu Xiang] hog the limelight here in recall."

Among the handful of athletes attracting sponsorship and endorsement deals are:

**Famous faces**

Most recognizable sports stars among Chinese people



Source: R3-TNSSport Olympic Tracking



Sponsorship data source: R3-TNSSport Olympic Tracking

**Yao Ming Basketball**

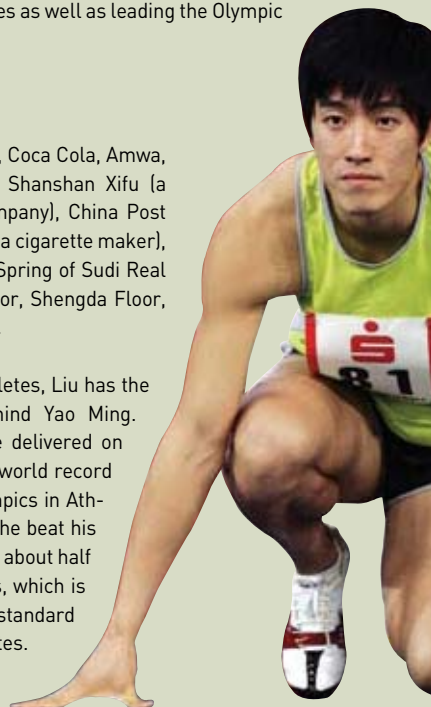
Endorsements: Reebok, Pepsi, Gatorade, McDonald's, VISA, China Unicom, Apple, Tag Heuer, Sohu, Garmin Street Pilot 300, Sorrent, MIG, Upperdeck, God Milk, Yanjing Beer.

By far the most popular and recognizable Chinese athlete in the world, Yao Ming has virtually created a new profile for Chinese sports. Although he plays with the Houston Rockets in America's National Basketball Association, he maintains strong links in China, regularly participating in events and charitable activities as well as leading the Olympic basketball team.

**Liu Xiang Track & Field**

Endorsements: Nike, Coca Cola, Amwa, Kia, Visa, Yili Dairy, Shanshan Xifu (a state-owned suit company), China Post EMS, Jager, Baisha (a cigarette maker), Loncin Motorcycle, Spring of Sudi Real Estate, Long Xin Motor, Shengda Floor, China Mobile, Konka.

Among Chinese athletes, Liu has the highest profile behind Yao Ming. Full of potential, he delivered on the big stage with a world record win at the 2004 Olympics in Athens. Two years later he beat his own record. Liu gets about half the money he earns, which is thought to be the standard for Chinese athletes.



**Guo Jingjing**  
Sport: Diving ▶

Endorsements: Red Earth cosmetics (Hong Kong), Xizhilang, a food company, Dali Biscuits, Shenzhen International Mansion, McDonald's, Sprite, Tag Heuer, Budweiser, Yili LGG Yoghurt, Funlinmen Oil, Aodeli, Xizhilang Jelly, Shenzhen International Park.

Guo is China's "Diving Queen," with two Olympic gold medals and numerous world titles to her name. She has maintained a high profile in part due to a much-publicized affair with charismatic, and now disgraced, diver Tian Liang. She is a strong favorite for a gold medal in Beijing next year. It has been claimed that the level of Guo's post-Athens exposure and number of commercial endorsements aroused concern among Chinese officials.



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◀ **Wang Nan**  
Table tennis

Endorsements: Ping An Insurance, Jinlake Sports Shoes, Anerle Napkin, Kingkey Real Estate.

Leader of the Chinese women's table tennis team following the retirement of Deng Yaping, Wang won gold in both the singles and doubles events at the 2000 Olympics in Sydney. Disappointment at the 2002 Asian Games had many saying she was on her way out, but this left-handed player rebounded winning four golds at the 2003 World Championships and followed-up with victory in the women's doubles at the 2004 Athens Olympics. She remains a favorite with Chinese audiences for her shot placement skills and general speed around the table.



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**Yi Jianlian**  
Basketball ▶

Endorsements: Yili, Amway Nutrilite, Nike, Freestyle (cell phone game launched by Coca-cola), GameKing.

China's latest export to America's National Basketball Association, Yi was in the headlines before he even set foot on a court. The former Guangdong Southern Tigers power forward was reportedly unhappy at being drafted by the Milwaukee Bucks. He made his national team debut at the 2004 Olympics and went on to participate in the 2006 FIBA World Championships, impressing Chinese and foreign coaches.



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## A technological triumph?

Beijing's "high-tech Olympics" will give local tech firms a boost in revenue and publicity

China's leaders won't be the only ones applauding when the Olympic torch lights up Beijing's nest-shaped National Stadium next August.

The country's tech and telecoms set will be heaving a sigh of relief because it should mean China's long-delayed next-generation, or 3G, mobile phone networks will finally be ready.

"Three or four years ago, [people] might have thought there would have been tens of millions of 3G users by the Olympics," said Dave Carini, a co-founder of telecommunications research group Maverick China. "Now, the safer prediction is a very limited [3G introduction], but nothing spectacular nationwide."

China's 3G networks, which can deliver data at faster speeds than currently possible, have been in the works for years. But roll-out attempts have been halted by industry restructuring and problems with China's own 3G standard, TD-SCDMA. Yet the industry and government always used the Olympics as both an excuse and motivator for 3G's eventual unveiling.

Trial networks are being built to test TD-SCDMA this year. In October, China Mobile will invite handset manufacturers to bid for TD-SCDMA tenders. By next year, some form of 3G, most

likely TD-SCDMA, should be available.

It is unclear whether licenses for the two main global 3G standards, CDMA2000 and WCDMA, will be issued in time for the Olympics. Without global standards in place, tourists visiting during the games won't be able to use their 3G handset, which would reflect poorly on China's push to position Beijing 2008 as a high-tech showcase.

### Sohu sponsorship

The organizers of the games have officially billed the event the "high-tech Olympics," and there is perhaps no better example of this than Chinese web portal operator Sohu. It paid "hundreds of millions" of yuan to call itself the Olympics' first internet content sponsor, which means it runs the Beijing 2008 official website and has rights to publish Olympics-related content through its portal.

"This is a win-win situation and it's happening for the first time in Olympics history," said Chen Luming, Sohu's vice president of Olympics sponsorship.

Beijing 2008 may also boast another technological first: China's first citywide wireless internet network – or the foundations of one, anyway. China Mobile has said it will install networks in host cities,

although coverage is likely to be limited to Olympics venues and tourist hotspots.

According to Liu Qingchang, vice president of corporate finance at China GrenTech, which is providing equipment for China Mobile's wireless network, the Olympics networks will be the base for future citywide coverage.

### The rising tide

The Olympics technology push that is enabling the likes of GrenTech to move from mobile phone network equipment into wireless internet products, is likely to have pervasive effects on the tech industry, according to recent research by investment bank Citigroup.

Jason Brueschke and Catherine Leung argue that a rise in demand for online advertising, paid web searches and internet ticketing for travel and tourism will benefit local tech companies like Tencent, Baidu and Ctrip as well as Sohu.

"We expect Sohu to deliver a very strong number for its portal advertising business in the second quarter of 2007 as advertisers start to market 12 months ahead of the Olympics," the report said.

The Olympics, besides being a revenue booster, will also give China's relatively young tech industry a rare shot at mainstream global exposure.

"[The Olympics] is one of those game-changing events for local [tech] companies," said Sage Brennan, research director at technology research firm JLM Pacific Epoch in Shanghai. "They could really gain an international footprint."

Beijing's "high-tech" games could end up being the most wired Olympics yet, but that doesn't mean much in an industry where obsolescence is measured in months. The games are helping tech firms with event-driven earnings but they aren't helping to break new boundaries.

As Maverick's Carini noted, the top-heavy way which new technologies for the games are being implemented – in 3G's case a reliance on ministerial edicts – could have hindered rather than helped the country's technological progress.

"In a free market, you might have a dozen cities in other parts of China providing their own Wi-Fi networks, the way it's happening in cities across the Western world," he said.

"The overall sense of the Beijing Olympics is... they're doing things that are pretty well proven. I don't see it as being particularly bold in technology; if anything, it's a little bit conservative."

# Spin it to win it

Beijing bureaucrats are handling the games' delicate publicity matters well, for now

Beijing's bureaucrats are not naturals at public relations, yet they are embracing the biggest PR exercise of all: the Olympic Games. A government prone to heavy-handed crackdowns seems unlikely to fare well in the era of camera phones and blogging, especially with hundreds of foreign correspondents roaming the country.

But banish the idea of a world-class faux pas. So far, China has handled Olympics controversy with surprising savvy.

The Olympics limelight is as irresistible to governments and corporate sponsors as it is to activists and pressure groups. The last games broadcasted 34.4 billion viewer hours to international audiences and the Beijing games are likely to get even more attention.

"These are going to be the highest pro-

file games in years – much higher profile than Athens," said Ineke Zeldenrust, who works with the Cleanclothes Campaign, a labor rights group from Holland.

"[China] is the biggest producer of exported garments, it is the host of the biggest games, it is the biggest reservoir of labor, and it's the biggest consumer

market of the future."

Zeldenrust's organization helped release a potentially damning report in June that said children as young as 12 were being used to manufacture Olympics merchandise. International media interpreted the event as another chapter of an ongoing forced-labor scandal, where abducted peasants were found working as slaves in brick kilns and mines in Shanxi province.

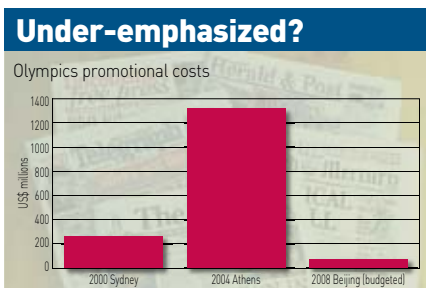
## Proactive response

The Beijing Organizing Committee for the Games of the XXIX Olympiad (BOCOG) did not deny the claims. Instead reacted swiftly, promising to mount an investigation into the allegations.

When asked for an update on the situation at the time of writing, BOCOG said local authorities were still investigating the claims but it had implemented several additional measures, including commissioning an external agency to review all licensees' working conditions.

"BOCOG will deal with the issue seriously," the media department said.

Earlier this year, when activists tagged Beijing 2008 the "genocide Olympics," pressuring China to intervene in Su- >>



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## ► Macro matters: The post-2008 crash?

It's August 25, 2008, a day after the Beijing Olympics have ended. The Shanghai Composite Index has closed at 2,657, the same level as it was at the beginning of 2007. Olympics-mania is dissipating, investors are pulling out as quickly as they piled in, and the markets are collapsing.

This apocalyptic scenario has been painted by China Cassandras predicting a long-anticipated meltdown. But a post-Olympics crash is highly unlikely, according to economists.

"Retail investors at the moment are very much in euphoria and the Olympics story will sell," said Tai Hui, an economist at Standard Chartered in Hong Kong. "But I don't think you will suddenly wake up one morning [after the games] and [find that] everything [is] lost."

### One event, big country

Jonathan Anderson, chief Asia economist at UBS, dug up some numbers suggesting that Beijing 2008 will barely leave a dent on China's economy. Comparing the populations of recent Olympics host cities to their corresponding national populations, Beijing came in last place, representing 1.1% of China's population and less than 3% of its GDP. The impact of the games was strongest in South Korea and Greece – Seoul has 20% its country's population and Athens 40%.

Still, the Olympics will cause volatility in some industries. Retailers and hoteliers, for example, will probably experience demand "lumps" during the games, but this is unlikely to affect annual averages. Even Olympics infrastructure can be adapted for commercial use, Tai said.

None of this evidence will appease fevered market-watchers who insist that a correction is coming.

Tai suggested the downturn could happen during the six or seven months in between this autumn's Party Congress and the Olympics but Anderson was rather more vague.

"We don't expect the markets to crash in the near future – but in our view this has nothing whatsoever to do with the Olympics. If there were to be a correction, it could happen before or after."



ACTRESS AND ACTIVIST: Mia Farrow has been vocal about China's role in Darfur

>> dan's civil war, Beijing listened and sent a senior official to refugee camps there. In May, a Chinese military engineering unit was dispatched to the region, underlining China's resolve to deal with the issue.

"The relevant parties should continue pushing forward the peace-keeping operations and political processes in a balanced way," BOCOG's media and communications department said. "China is willing to cooperate with the international community to resolve the Darfur issue politically."

Even the activists agree that Beijing has responded well to problems that have arisen so far.

"Chinese attention to Darfur issues has skyrocketed since the beginning of our campaign," said Eric Reeves, a Smith University professor who works with pressure groups like Dream for Darfur. "We are not assuming that China won't do the right thing."

This assumption is a massive step forward – one that underlines the importance of Beijing responding appropriately

when new problems arise.

The Darfur groups have appointed high-profile spokespeople like the actress Mia Farrow, who have rallied everyone from Steven Spielberg to NBA basketball players to prod China into action.

The Olympics organizers in Beijing take the image-making potential of the games seriously enough to have spent more than a year, beginning in February 2005, choosing a PR agency and finally settling on international firm Hill and Knowlton.

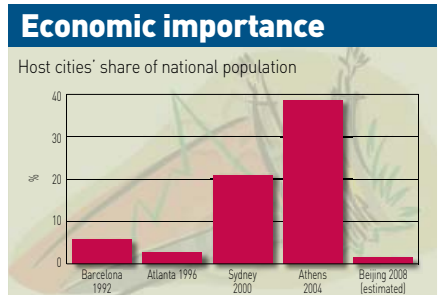
The organizing committee budgeted US\$60 million for advertising and promotions in its original bid for the games. It did not respond when asked how much it has spent on marketing so far.

### Keeping its cool

The Olympic Games are still a year away, so the organizers are far from feeling the full heat of the spotlight. Protests and demonstrations in some form are almost a certainty when the games do start. The trick will be for Beijing to stay cool and keep its promises.

"[The Chinese government] will try very hard to be seen to be unruffled by the protests and attention-getting stunts they're going to face," said a PR professional in China who has been following the publicity around the games and wanted to remain anonymous.

"But they also need to avoid the old trick of watching the demonstration, letting it happen, then cracking down afterwards, [because] attention is not going to pass after the Olympics." ♦



Source: CEIC, Wikipedia, UBS estimates