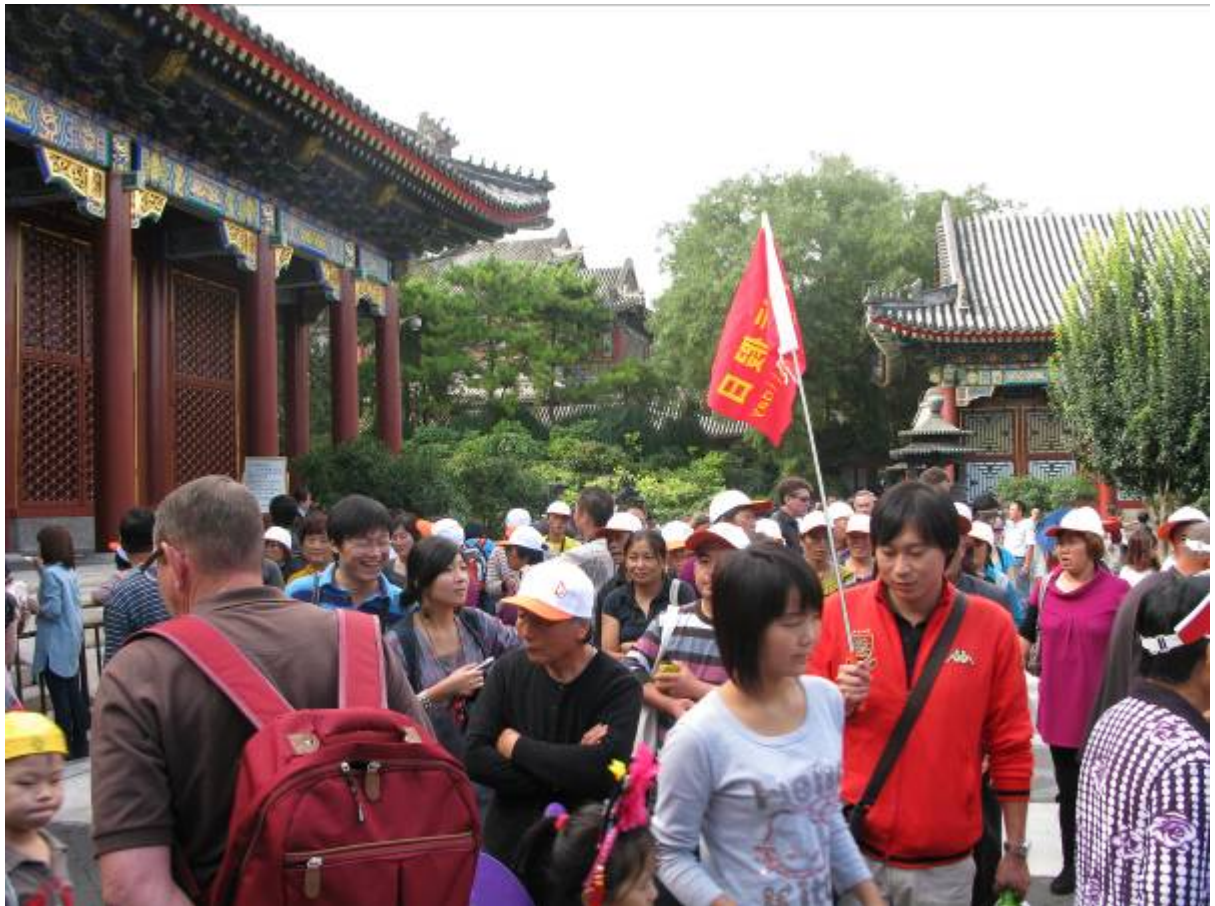


“China ain’t waiting!”

“China ain’t waiting!” – that’s my verdict after a recent visit organised by Ashburton. Whilst, I only had a very small taste of this vast country one thing was abundantly clear, China has set its sights on becoming mainstream by 2020. My trip from the tradition of the capital City, Beijing, to the mind-blowing development in Chongqing, and then finally to the glitz and glamour of Shanghai seemed to confirm that they are well on track. Now I am not saying that this ambition will be easily achieved, far from it, China has many well known social, economic and environmental challenges.



Chinese tourists flock to the Summer Palace, Beijing.

Beijing is a good entry point for the first time visitor to China, the 4.5 million vehicles on the road that guarantee a slow crawl from the airport to City centre but provide an excellent sightseeing opportunity. My taxi ride took me past the symbolic portrait of Chairman Mao overlooking Tiananmen Square, but this was to be the only obvious sign

of communism that I saw in a week. The major tourist attractions are the many temples and palaces which preserve the memory of Chinese imperialism. The majority of visitors are Chinese, a sign that the tourism industry is growing fast supported by the massive investment infrastructure spend on highways, high speed rail and airports.



A model of the future in Chongqing.

But it was when I landed in Chongqing, one of the “mega” cities in Western China, that I began to appreciate the sheer scale of modernisation taking place. The Government realised many years ago that it had to address the imbalance between the wealthy Eastern coastal region and the rural areas of the West if social stability was to be maintained. Chongqing, located at the confluence of the rivers Yangtze and Jialing is one of five cities given Special Status by Beijing and the only one in the West. To improve the living standards of the City’s 6 million population and the further 25 million that live in the surrounding provinces, will require very deep pockets. High rise residential buildings, industrial parks and the supporting transport infrastructure are being constructed at a frightening pace across this rugged terrain. It is quite a staggering sight, if you can see through the thick brick dust lingering in the air. The surrounding rural areas are also receiving funding in an effort to stem the migration from the fields to the cities. This is

not only essential in sustaining the country's need for food but also creates jobs, I visited one farm growing a variety of fruits for the export market.



Shanghai skyline, the finished article.

If Chongqing is a work in progress, my final stop, Shanghai was the finished article, a glimpse of the future of China. A thriving City with luxury apartments, iconic buildings and plenty of retail therapy that rivals many of the cities of the Western World and the Middle East. The Global Crisis may have stunted the ambitions of growth in the US, Japan and Europe but not so in China, where economic growth is visible for all to see. For any sceptics, if you don't believe me, go and see for yourselves.

John Husselbee

North, 4th October 2010.

North Investment Partners Ltd is authorised and regulated by the Financial Services Authority. This document is directed only to persons who are professional investors, market counterparties or intermediate customers. Persons who do not fall within these categories should consult their independent financial adviser or other authorised intermediary. The content expresses the views of the contributor and should not be construed as specific advice to individuals or as an enticement to invest in any of the strategies mentioned. Recipients of the document are reminded that investment may only be made on the basis of the information contained in the Prospectus relating to the particular Fund or Company in its final form and therefore this document must be read in conjunction with the relevant Prospectus. The Offer is not being made directly or indirectly in any territory where its distribution is prohibited by law and copies of this document may not be distributed in or into any such territory. Issued October 2010.