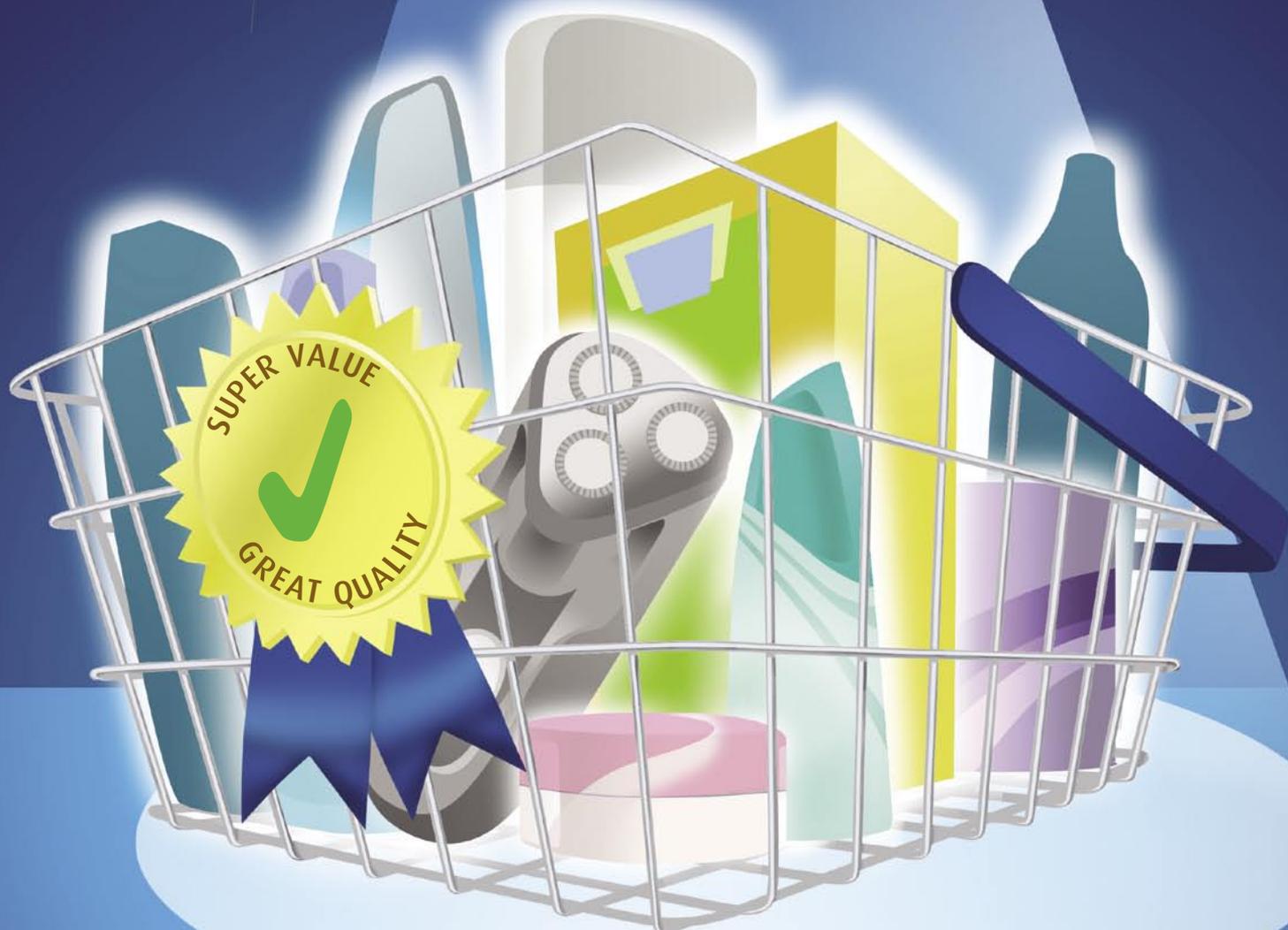


SPHERE

24

Consumers' Choice



Why own brands and private labels offer shoppers the best deal

S P H E R E

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NUMBER 24 MARCH 2009

A Few Words from the Editor

WELCOM E to the latest issue of Sphere. Our cover story looks at how retailers are focusing consumer attention on value for money products like own brands and private labels, particularly from trusted stores such as Watsons and PARKnSHOP.

Then, we introduce you to the INQ¹, an amazing new handset that has just won the most coveted prize in the mobile industry. It's being called the Social Mobile as it is inexpensive, simple to use and takes social networking to a completely new level.

It is then time for a change of pace and we explore the wonderful work being done by Project New Life, a charity that offers free treatment to children in China unfortunate enough to be born with cleft lips and palates.

Our country focus takes us to Sweden, a beautiful country which offers visitors an extraordinary range of leisure activities.

We hope you enjoy the magazine. Please send feedback and suggestions to info@hutchison-whampoa.com

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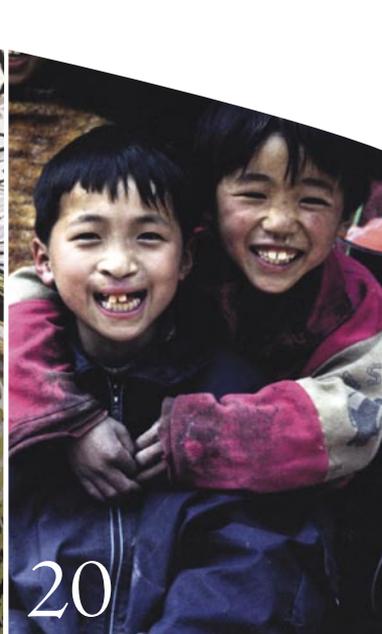
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Hutchison Whampoa Limited 

Newsbites



WIND FARM READY

CHINA The first of HK Electric's two wind energy projects on the Mainland, a wind farm in Dali, Yunnan Province, has started commercial operations. Another wind farm, in Leting, Hebei Province, will start producing power when testing is completed. Both projects were developed by Hongkong Electric International and its local partner, Huaneng New Energy Industrial Company Limited. **I**



New Loyalty Card

CHINA Watsons, the largest health and beauty retailer in China, has launched a new loyalty card programme in Guangzhou. The aim is to provide more personalised product and discount information via SMS or e-mail and act as a "shopping partner" for customers. **R**



Selling Fast

CHINA The first batch of properties at Cape Coral, a luxury Hutchison Whampoa Properties Limited real estate project on the banks of the Yangtze River in the heart of Chongqing city, sold out within a day of going on sale. **H**

YOUNG AT HEART

HONG KONG Students of the University of Third Age (U3A) in Hong Kong organised a U3A Fun Day featuring a wide range of performances, games, handicraft and magic workshops as well as a charity sale. More than 40 U3A students also visited Lamma Power Station and Lamma Winds. The U3A network promotes life-long learning among Hong Kong's retired population and is supported by HK Electric and the Hong Kong Council of Social Service. **I**



High-tech Taxis

ITALY Ordering a taxi in Milan has never been easier, thanks to 3 Italia. An Internet link provided by 3 Italia's Wi-Fi router helps the cab company identify the taxi closest to the pick-up point – a service that is particularly popular with the city's leading hotels. Better still, customers can get online via their notebooks and smartphones as soon as they sit down. **T**



TRIPLE PLAY

HONG KONG i.Tech Dynamic, a division of Hutchison

Harbour Ring, has developed the Clip Naro 601 Bluetooth headset, the world's first headset with triple point technology for connecting with three mobile phones at the same time. **I**



Making a Difference

INDIA 3 Global Services has been busy making life easier for people in need. Staff members celebrated Christmas with 50 senior citizens supported by HelpAge, sponsored snacks for a National

Association of the Blind trip to southern India, took part in a blood donation drive and donated stationery to an orphanage. **T**



PORT SET TO PROSPER

CHINA Hutchison Port Holdings is helping to build the first container terminal in Huizhou, a city in eastern Guangdong. When completed, Huizhou Quanwan International Container Terminals will help transform Huizhou from a container feeder port and a terminal handling bulk cargo into one of South China's leading container ports. **P**



Student Record

HONG KONG A record number of 802 talented young athletes have received A S Watson Student Sports Awards, with 70 per cent of Hong Kong schools participating in this year's programme. Over 2,000 teachers, parents and family members attended the ceremony at the Queen Elizabeth Stadium. Award winners were urged to support the 2009 East Asian Games, which will be held in Hong Kong in December. **R**



HAPPY VALENTINE'S

CHINA Horizon Heights in Zhuhai marked Valentine's Day in style with 350 guests joining a romantic celebration that included a jazz performance and a bridal veil show. **H**



Mobile TV Test

ITALY 3 Italia is conducting tests that will allow mobile phones to access television signals from both satellite and terrestrial networks. The first phase of the trial confirmed the capability of DVB-SH technology to integrate terrestrial broadcast networks with 3G mobile networks, making a large number of high-quality mobile TV channels available to customers. **T**



New Shopping Concept

HONG KONG Fusion, a new international western superstore concept launched by PARKnSHOP in Hong Kong, has opened for business in Discovery Bay. Fusion provides a wide range of over 13,000 Western and Asian products in a spacious and contemporary shopping environment. **R**



GOOD CAUSE

HONG KONG The HWL Volunteers teamed up with the Hong Kong Family Welfare Society to help organise a visit to Tuen Mun Public Riding School and Miu Fat Buddhist Monastery for elderly people in Shamshuipo who live on their own. The volunteers also took part in the Hong Kong & Macau O! Day, the orienteering competition organised by The Salvation Army. **C**



HUSKY MILESTONE

CHINA Husky Oil China Limited, a subsidiary of Husky Energy, has completed testing of the first appraisal well at the Liwan 3-1 field in the South China Sea with the help of deepwater drilling rig West Hercules. The results confirmed the Liwan field is a major offshore gas discovery. **I**



Let's Celebrate

CHINA Regency Park Changchun, a luxury villa development by Hutchison Whampoa Properties Limited, held a Christmas dinner at the Changchun Shangri-la Hotel for over 100 guests who enjoyed a night of carol singing and Latin dance. **H**



SWEET VALENTINE

HONG KONG Hong Kong artistes Vin Choi and Yoyo Chan were invited to join nine other pairs of lovers at HK Electric's Home Management Centre for a Valentine's Day cake-making workshop. "I've never made cake before. It was a lot of fun and I enjoyed the lesson very much," said Yoyo. **I**

APPLAUSE!

A total of 85 member companies of the Cheung Kong Group have been awarded the Caring Company Logo by the Hong Kong Council of Social Service this year, up from 74 in 2008.



The Right Note

HONG KONG Pianists Edward Auer and Jung-hwa Moon Auer (right) receive a warm welcome to the Harbour Plaza Hong Kong. **H**

PERFECT PARTNER

ISRAEL Partner is helping to establish community communications centres in Israel as part of its commitment to corporate social responsibility. **T**





KEEPING THE LID ON PLASTIC BAGS

HONG KONG HWL retailers are playing their part in helping to reduce the use of plastic bags in Hong Kong. PARKnSHOP, TASTE, GREAT, GOURMET, International by PARKnSHOP, Fusion by PARKnSHOP and Watsons are all participating in the Every Day No Plastic Bag Day campaign organised by the Hong Kong Retail Management Association (HKRMA). The HKRMA expects the programme to help reach the industry's voluntary target of reducing annual plastic bag distribution to 400 million at participating retailers, a decrease of more than 50 per cent from 2005. **R**

EUROPEAN BOOST

NETHERLANDS Hutchison Port Holdings (HPH) has strengthened its presence in northern Europe through the addition of extra container-handling capacity in Amsterdam. HPH and Nippon Yusen Kabushiki Kaisha (NYK) have signed an agreement through which HPH will become the majority shareholder of Amsterdam Container Terminals (ACT) in the Netherlands. In exchange for the majority stake in ACT, NYK will have a minority stake in Europe Container Terminals in Rotterdam. **P**



Wanchai Goes Green

HONG KONG Wanchai has a new landmark – two micro wind turbines on the roof of HK Electric's new building on Marsh Road. The building is HK Electric's most environmentally friendly and energy efficient station building and connects Lamma Power Station and the northern part of Hong Kong Island. **I**



KEEPING IN TOUCH

INDONESIA **3** has introduced special rates for calls from Indonesia to Australia to help families keep in touch with their loved ones Down Under. About 30,000 Indonesians live in Australia, 19,000 of them students. **T**

Book Donation

HONG KONG TOM Group and the Oriental Charitable Foundation have donated more than 100 books to the Po Leung Kuk to help underprivileged children. **I**





Italy Ahoy

ITALY Hutchison Port Holdings has established a presence in the central Mediterranean market by taking a stake in Taranto Container Terminal, one of Italy's top five container ports. **P**

LENDING A HAND

HONG KONG The HWL Volunteer Team participated in The Physically Handicapped and Able-Bodied Walk for Integration and provided assistance to disabled participants. The volunteers also helped arrange a visit by 30 teenagers from the Tung Wah Group of Hospitals to Hong Kong University so they could experience life on campus. **C**



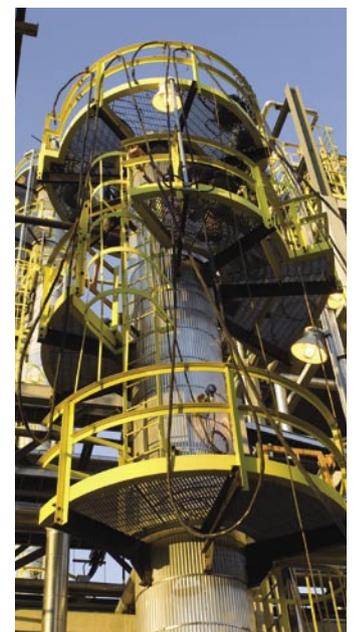
Space Guests

HONG KONG China's Shenzhou 7 astronauts were welcomed to the Harbour Plaza Hong Kong with a special rocket-shaped cake baked in their honour. **H**



CRUDE OIL RECORD

CANADA Husky Energy's Prince George Light Oil Refinery in British Columbia achieved a record crude throughput of 12,323 barrels of oil per day in November. **I**



Fully Booked!

HONG KONG More than 2,000 candidates flocked to two recruitment days arranged for the opening of the Harbour Grand Hong Kong, Harbour Plaza Hotels & Resorts latest five-star luxury hotel. **H**



Fan-tastic!

HONG KONG Thousands of shoppers and fans packed Wonderful Worlds of Whampoa for an appearance by Canto-pop superstar Andy Lau to promote his new album. **H**



FUN IN THE RAIN

LATVIA Even a sudden shower could not dampen the enthusiasm of more than 400 Drogas employees from all three Baltic States (Estonia, Latvia and Lithuania) who took part in the annual Sun and Fun Day. **R**

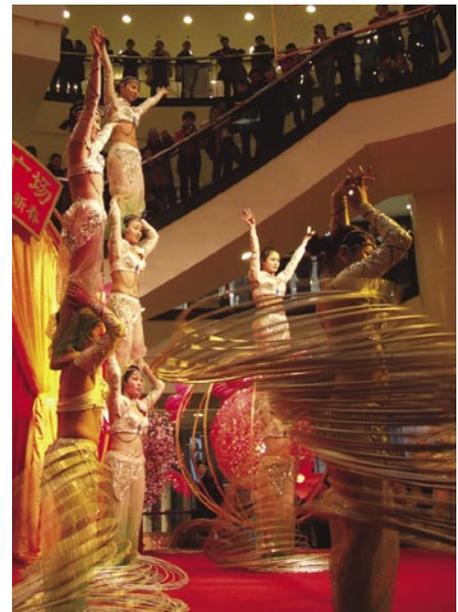


ORANGE TIME

ISRAEL Partner has launched Orange Time, the biggest entertainment portal in Israel, offering users everything from movies and television series to music and games. **T**

Charity Record

CANADA Husky Energy and its staff set a company record by donating more than CAD1 million (about HKD6 million) to 42 different organisations chosen by the employees. **I**



RECORD ATTEMPT

CHINA The Shenzhen Fuyong Acrobatic Troupe set a record by twirling 260 hoops at the same time during a Chinese New Year performance at the Chongqing Metropolitan Plaza. **H**

BACKING A WINNER

FRANCE For the eighth year running, Marionnaud was the official sponsor of the Prix d'Amérique Marionnaud, the world championship harness race that takes place in Paris every year. The popular horse race was broadcast to 70 countries across three continents and this year all charity proceeds were donated to Toutes à l'Ecole, an organisation dedicated to creating schools and educational programmes for young girls in developing countries. **R**



YEAH!

Fortress won the Best Service Award in the electrical appliances chain category of the 2008 Sing Tao Excellent Services Brand Awards.



What a Goal!

HONG KONG BMW Retail Group, a division of Hutchison Harbour Ring Limited, has been licensed by FIFA to develop, manufacture and distribute approved products for the World Cup soccer competitions in 2010 and 2014. **I**

Movie Magic

INDONESIA 3 Indonesia has helped to promote Pintu Terlarang (The Forbidden Door), a new movie directed by Joko Anwar that has received rave reviews in Indonesia. The movie, which tells the story of how the life of a successful sculptor is turned upside down when he begins receiving mysterious messages from somebody asking for help, was first shown at the Rotterdam Film Festival. **T**



WE CARE

HONG KONG A group of volunteers from the Harbour Plaza North Point organised a Christmas party for about 50 trainees with intellectual disabilities at the Hong Chi Pinehill Integrated Vocational Training Centre in Tai Po. **H**

WELCOME TO THE SOCIAL MOBILE

INQ¹ is simple to use, affordable and more importantly - it is the best

By Jon Marsh



WE'VE ALL BEEN THERE BEFORE. A sophisticated new piece of technological wizardry arrives on the market to

huge fanfare. It looks beautiful, promises the earth and at the same time puts a big dent in your wallet.

Now comes the hard part - you have to actually use it. That's usually when the problems start. The instructions appear to have been written by an engineer trained on another planet; the fancy new applications refuse to respond to all manner of increasingly desperate button pressing and an attempt to get through to the help line leaves you pulling your hair out in frustration.

Sound familiar? Well, it is hardly surprising as in today's world "must have" devices such as the latest 3G "smartphones" are becoming more complicated (and expensive) almost by the day. Indeed, a recent industry survey reported by the BBC found that the complexity of modern mobile phones was leaving many people unhappy. The survey revealed that 85 per cent of users reported that they were frustrated by the difficulty of getting a new phone up and working. Of the 4,000 people questioned, 95 per cent said they would try more new services if phones were easier to set up.

Well, help is at hand. INQ, a brand new Hutchison company, is offering customers what is being described as the world's first Social Mobile. The INQ¹, as the handset is known, looks good, is very affordable and, significantly, is easy to use. Most importantly, it makes keeping in touch a cinch by connecting your Facebook, Windows Live Messenger (WLM) and Skype contacts with your phone book.

The impact has been swift and dramatic, sending shockwaves through the industry. Within months of being launched, the INQ¹ walked off with the GSMA's award for Best Mobile Handset or Device, the most coveted and





3G
smartphones
are becoming more
complicated almost
by the day

AN AMAZING TRIUMPH

TO PUT THE achievements of the team at INQ into context, the GSMA Global Mobile Awards are the Oscars of the mobile communications industry. For a new company to win the award for Best Mobile Handset or Device is quite remarkable, especially when the opposition included established industry heavyweights Nokia, BlackBerry and LG.

More than 450 companies spanning Internet, finance, advertising, music, television and gaming submitted entries across 16 categories for this year's awards, reflecting the diversity and breadth and depth of the industry. The event was attended by more than 900 executives and mobile industry leaders.

The GSMA represents the interests of the worldwide mobile communications industry. Spanning 219 countries, the GSMA unites more than 750 of the world's mobile operators, as well as 200 companies in the broader mobile ecosystem, including handset makers, software companies, equipment providers, Internet companies, and media and entertainment organisations.

A groundbreaking device that will probably change the way you use your mobile

fiercely contested prize in the mobile industry, beating other heavyweight contenders such as the Nokia E71, T-Mobile G1 (also known as the Google phone), RIM BlackBerry Storm and LG KS360.

In making the award, the judges commented: "The INQ¹ represents a significant step towards the mobile device as a social networking hub and also represents superb value for money. Its approach to the deep integration of services such as Facebook outshines that of much costlier smartphones, and it presents a compelling proposition by treating the phonebook as the focal point of the device. With its ingenious ability to transform from phone to 3G modem by simply plugging it into your USB port, the INQ¹ delivers data services to the mass market and for an affordable price."

INQ Mobile's Chief Executive Frank Meehan was delighted. "Prior to INQ Mobile, the INQ team was part of the HWL Global 3G Handset and Application Group. We were responsible for managing

handset vendor and Internet partner relationships," he said after the award ceremony in Barcelona. "HWL management had tasked the 3 Group to fully deliver on the data promises of 3G by leveraging its mobile broadband capabilities. Our role was to source handsets that could get consumers excited about the Internet on mobile.

"However, the main vendors were concentrating all their efforts on high-end devices which were complicated to use and too expensive for most consumers. So HWL decided to invest in our own Internet-centric range. Our first device was the Skypophone. Its success with consumers, and its ability to deliver more margin to the 3 Group, led us to take it a step further with INQ. Now, with a small investment, we have the potential to deliver large returns and become a major global brand for the Group"

The new INQ¹ handset combines the traditional functions of a mobile phone, such as contacts book and message inbox, with direct access to Facebook, Skype, and WLM.

In addition, the address book provides live status updates and profile photos from Facebook and presence information from Skype and WLM – perfect for busy people who want to access their social networks while on the move. The phone also has one-touch access to a series of other Web services, such as Google, LastFM, Ebay and YouTube.

Henri Moissinac, Director of Mobile, Facebook, said: "More than 20 million Facebook users currently access the site through their mobile devices. This number has quadrupled over the last 12 months and we expect it to continue to grow as more people begin to connect with their friends and family through Facebook on innovative mobile devices, like the INQ¹."

"Congratulations to the INQ team for being recognised for the hard work they put into bringing a standout device to market."

Technology Website Engadget put it this way: "INQ won because of how they've enabled Facebook deep integration, focus on your contacts as living, breathing, and ever-changing entities, great pricing, and a compelling user interface."

Mr Meehan stressed that the phone is designed to bring the mobile Internet to a much wider audience. "People are tired of paying a fortune for phones that are unusable," he said.



All smiles: The INQ team celebrates at the GSMA Global Mobile Awards – the Oscars of the mobile communications industry – after winning the award for Best Mobile Handset or Device.

“In the current economic environment, people will not give up all the benefits of having a mobile but they will be much more careful about where and how they spend their technology dollar.”

The new phone highlights how the way people use their mobiles has changed. Mobiles were about pure communication before applications like games and music were added. While these remain benefits that people want, they are a step away from the original idea.

“The INQ¹ is about taking the things people love most about the Internet and building them into the very heart of the phone without them having to learn any complicated new applications,” said Mr Meehan. “Mobile is still mostly about voice and text for the vast majority of users, but those same people use the Internet to communicate every day with Skype, instant messaging, Facebook and e-mail.”

To say that the new phone has been warmly welcomed

People
are tired of
paying a fortune
for phones that
are unusable



by the industry is something of an understatement.

CNET, a leading technology Website, was full of praise, commenting: “We’ve had a lot of time with the INQ¹ and we remain as impressed with its performance as we were on the day we took it out of the box. Even with Facebook and Skype opened in the background, the processing performance is first rate. The INQ¹ is easily the most impressive phone we’ve seen at this price point. Even without the excellent social networking integration, the INQ¹ is fantastic value for money, with its solid, stylish construction and HSDPA Web access. Facebook fiends really need to check this phone out.”

Praise indeed in a highly competitive market. Meanwhile, in the Irish Daily Star, reviewer Gavan Byrne described the phone as a “groundbreaking device that will probably change the way you use your mobile.”

With reviews like that the future for INQ looks very bright. But it is not just the customer who benefits – the business model also drives positive economics for the operator. Currently, operators are burdened with providing heavy subsidies to bring high-end smartphones to market, or features such as escalating camera megapixel that don’t generate revenue opportunities. INQ’s devices, on the other hand, are engineered to drive the sale of data packages to the mass market.

The phone is already available in the UK, Ireland, Australia and Hong Kong, and will soon be launched in Italy and other markets around the world.



inqmobile.com

Winner

INQ¹
Best Handset
2009 Global Mobile Awards

INQ¹ is the world's first Social Mobile. With Facebook, Windows Live Messenger, Skype and Last FM built right in. No wonder our very first phone has just won 'Best Mobile Handset or Device' at the 2009 GSMA Global Mobile Awards.

INQ. Social Mobile.

WHAT MAKES INQ¹ SPECIAL

The new phone includes these great features:

■ **Facebook**

Fully integrated in the handset, INQ¹ introduces exclusive features that make Facebook a joy to use. A widget keeps you up to date with what friends are doing at a glance and notifies you each time someone sends a Facebook message. When your friends on Facebook call you their photos automatically appear with caller ID.

■ **Address book**

From a static destination visited only to initiate a call, the address book becomes a live, thriving hive of activity. With information drawn from Skype, Facebook and Windows Live Messenger, status updates and the latest details of your friends’ online activities are all gathered together in one place.



Consumers' Choice

Private labels and own brands offer customers superb value and great quality. Well established in the US and Europe, they are now playing an increasingly important role in the Asian retail market.

By Helen Dalley



The Collagen skin care range is flying off the shelves, particularly in Mainland China

WITH CONSUMERS CONCERNED about the global economic situation, many are reconsidering which items are necessities and which are frivolities when they shop. Brands now have to prove their worth in order to make it into the consumers' basket. This has created tremendous opportunities for retailers' own and private label brands to grow their market share.

According to the YouGov's Recession Tracker which took data from more than 2,000 consumers early this year, more than four in 10 people are increasingly switching to retailers' brands, indicating that value for money is at the forefront of consumers' minds.

The rise of these products – private labels are retailers' brands they manufacture and sell, own brands carry the name of the retailer – cannot be attributed solely to the good value they represent, however. Quality is also extremely important. The US-based Private Label Manufacturers Association said recently that private labels are emerging as an innovating force, "enhancing the retailer's image and strengthening its relationship with consumers."

In the past, the quality of retailers' private label products may have been considered not as good as named brands, which were perceived as more advanced. But the tightening of household budgets means that consumers are more willing to try new products, particularly when they realise that the quality is similar.

Nielsen reported that private label products are now viewed positively by the majority of US consumers. In a recent survey, nearly three-quarters (72 per cent) of consumers believe they are good alternatives to named brands and 62 per cent consider them to be as good as named brands.

The survey indicated that an improved sense of quality is a key factor in consumers' positive attitude towards private label products; 63 per cent believe private label brand quality is as good as named brands and 33 per cent say they consider them to be higher quality than named brands. According to the survey, price and value are paramount – 74 per cent of consumers believe it is important to get the best price on a product and 67 per cent agree that stores' own brands usually provide extremely good value for money.

Tom Pirovano, Director of Nielsen's Industry Insights, wrote in the report Private Label: What's really driving private label growth? "Private label offerings have evolved from the cheap alternative to national brands into distinctive, high-quality products with a unique value proposition that retailers strategically deploy to enhance the image of their store. Retailers are leveraging private label to entice picky consumers and shore up sales."

Private labels and own brands have a significant



presence in the UK, where the market has grown rapidly in the last few years. In 2006, they accounted for 40 per cent of grocery sales, according to estimates by market researcher Key Note, up from 38.5 per cent in 2002, and will rise to 42.2 per cent by 2011.

The trend is also catching on in Hong Kong. For example, Fortress is the market leader of own brand electronics and home appliances and its air-conditioners and refrigerators have ranked among the most favoured brands since 2001. PARKnSHOP introduced its private label rice, Imperial Banquet, back in 2005. It quickly became one of the top sellers in the market and continues to hold up well against other named brands.

The premium quality of Imperial Banquet has also helped it establish a reputation as having the “best quality on shelf” among traditional Chinese food products. The brand has already extended its range to cooking oil and Chinese sauces, with more on the way.

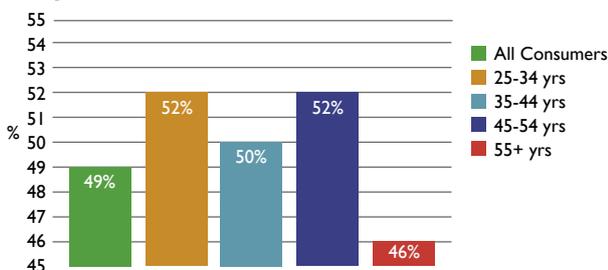
While private labels and own brands are starting to account for an increasing amount of market share in Asia, the market is not as developed as in Europe and the Americas, said Anne Chen, A S Watson’s Group Project Director, who co-ordinates the company’s private label brand development. “Such labels are now very well established in the West, where they debuted, but in Asia it’s a different story,” she said. “Sometimes they are viewed as inferior products, so it’s important to be clear that we are offering customers quality as good as, if not better than, the named brands.”

Watsons Your Personal Store, the Group’s health and beauty retail chain in Asia, has also tasted initial successes. One of its brands, the Collagen skin care range, is flying off the shelves, particularly in Mainland China where 2008 sales were up nearly 30 per cent year-on-year. This range has now been introduced in Hong Kong and was so well received by customers that it sold out in just a few weeks.



PARKnSHOP’s
Imperial
Banquet rice
quickly
became one
of the top
sellers in the
market

Consumers trying cheaper personal care brands



source: YouGov

Meanwhile, Watsons in Hong Kong is also capitalising on the Group's global private label network with the recent launch of the Optimum beauty range from Superdrug in the UK.

"The role of private labels is to create differentiation from our competitors as customers can only find the products in our stores," said Ms Chen. "They are an attractive prospect commercially as they help to boost profits and build customer loyalty."

Rabinder Mahay, Own Label Manager at Superdrug, explained why Optimum was its best-selling own brand range. "Optimum consistently performs better than leading brands in consumer tests in glossy magazines. The range we developed responds to women's growing understanding and awareness of anti-ageing solutions, offering specialised ranges for differing age groups between the ages of 30 to 50 plus years," she said. "All our own brand ranges have been specially developed to meet the everyday needs of our customers, offering fantastic formulations at affordable prices."

Prominently displayed on the store's Website, customer feedback on own brand products are overwhelmingly positive. A sample selection includes:

"It's fantastic, my skin is glowing! People remark all the time about how smooth my skin is." (Optimum Line Decrease Thermal Polisher)

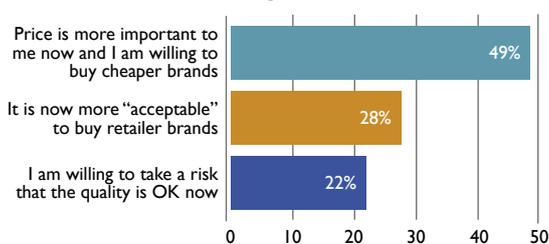
"I have honestly tried all the expensive creams to get rid of creepy, saggy skin, and uneven skin tone, but this product really works. Thank you for saving me from empty pockets with this successful bargain."

(Optimum Firm & Lift Day Cream)



Fortress
air-conditioners
and refrigerators
have ranked
among the most
favoured brands
since 2001

Why consumers are switching



source: YouGov

QUALITY IS THE KEY

PRIVATE LABELS and own brands offer quality as well as value, and the team at A S Watson goes to great lengths to ensure that customers get the very best of both worlds. “We aim to bring confidence to customers, and to ensure the products they buy were manufactured under stringent quality control, and represent good value for money,” said Sébastien Pivet, A S Watson Group’s Head of Quality Assurance for Health & Beauty Retail.

“The role of our department is to support the product development and buying teams in identifying reliable suppli-

ers, verifying that the products were risk assessed as per our international guidelines and ensuring the products delivered in our stores conform to local regulatory specifications.”

This involves meeting the very highest standards. Formulated products such as soap and shampoo are assessed by European toxicologists to prove their safety, and must perform well during internal panel testing against their benchmark. In addition, they must be hygienic, free of any foreign contaminant, and comply with the regulations applicable in their destination countries.

Other Superdrug own brand products also get the thumbs-up.

“The best hair colour I have used. My hair is always so soft and gorgeous after I have used this. I would recommend it to anyone and I swear by this product, and I love telling people about it.” (Colour Performance Natural Rich Darkest Brown).

Elsewhere in Europe, own brands are also performing admirably at the Group’s Kruidvat health and beauty stores in the Netherlands. Market share in baby products is particularly strong. The own brand nappy range is the second-best selling nappy in the country and one out of every three nappies sold in the Netherlands is bought at a Kruidvat store.

“We were the first retailer in the Netherlands to launch own brand baby food, the Instant Mother Formula. This is produced in an established ‘A’ brand factory but with a low price, which helped to guarantee its success,” said Kruidvat Senior Buyer Eva Rooijmans. “We followed it up by launching a wide range of baby food products containing vegetables and fruit.”

Ms Rooijmans said own brands will become more integral to Kruidvat’s success. “We face fierce competition from food retailers in this market. It is therefore critical that we continue to strengthen our ability to differentiate ourselves from other stores through quality and best value own brand products,” she said.

The increasing trend of consumers choosing retailers’ own brands does not mean the traditional named brands are losing their importance. As Ms Mahay pointed out: “Our mission is to meet our customers’ needs, so branded ranges will always have a key part to play in our portfolio and sales mix, as the presence and awareness of branded ranges is much higher, given the marketing expenditure and visibility of these ranges.

“Superdrug’s own brand ranges offer customers a credible, differentiated and high quality alternative to the branded ranges which is important in meeting customer needs, as we want to be known for offering choice and value.”



One out of every three nappies sold in the Netherlands is bought at a Kruidvat store



FACES *of* HOPE

Project New Life helps children inside and out. By Xiyun Yang





“This programme is primarily for children who are stricken with this disease and their families. These children suffer emotional pain sometimes beyond any physical pain they experience, even though it is not a life-threatening illness. The greater purpose of this programme is to help patients regain dignity and confidence, and be able to live happily and contribute to society. Care is the most important social perspective. To me, the significance of promoting a culture of giving is to help society recognise that even a small star shines in the darkness. If everyone pitches in and invests a little of ourselves and our resources, the multiplying effect will be great. More government policy support and better implementation will also contribute to more satisfactory results. By working together, we can bring about positive change.”

HWL Chairman Li Ka-shing

RMB6,000 and RMB7,000 for the simplest procedures, to tens of thousands of RMB for multiple, long-term treatment, many of China’s poor do not have the financial means to care for their children. As a result, some families will abandon these babies.

Haoxiang was luckier. His grandparents stood by their only grandson, but they knew that life with a cleft lip would be difficult. There is one man with a cleft lip in their Hebei village and many of the villagers don’t know his real name; they only refer to him as huaide, broken. “From now on we have to work hard, save money, we thought. Even if it takes us four or five years,” Ms Chen said.

Then, a few months ago, the family couldn’t believe their luck. Haoxiang’s father heard about Project New Life, a charity that offered completely free cleft lip treatment for the needy. The family qualified. Mr Zhang and his son work as welders in Beijing, while the women tend the small piece of land they received after being relocated as the result of a local dam project. The four working adults of the family made about RMB10,000 a year, Mr Zhang estimated.

Project New Life brought baby Haoxiang and his grandparents to Capital Medical University’s Beijing Stomatological Hospital and paid for their round trip transportation, accommodation and food costs. Now, crying as his grandmother rocked him in her arms while a nurse administered an IV in his ankle, baby Haoxiang is waiting for his surgery.

Another of the project’s many heart-warming stories belongs to Zhang Shengyong, who back in 1998 was found abandoned under a bridge in a remote village in Henan province. He was just a few months old and his face was badly deformed, but his foster parents, themselves suffering from poor health, de-

ZHAO HAOXIANG, two-and-a-half months old with long eyelashes and chubby cheeks, is oblivious to the fate that almost befell him. From the minute he was born, took his first deep breath and screamed to the high heavens, his family knew something was wrong.

“He just didn’t cry the same. You could hear sounds of escaping air,” said Zhang Dehe, 54, his grandfather. The baby was diagnosed with a cleft palate and suddenly his place in the family became uncertain.

“His mother wanted to give him away,” said Chen Zhanfang, 56, his grandmother. “She cried for days. Where can we find money to cure him,” she said. “How can he find a wife later on?”

Haoxiang is one of an estimated tens of thousands of babies in China who are born each year with cleft lips or palates, conditions in which the two sides of the lip, palate, or sometimes the soft inner cartilage of the nose, is not joined. Almost all of them will require corrective surgery in order to assimilate fully into society, but with the operations costing between



PHOTOS: LIU CHANG CHUN - PROJECT NEW LIFE

A new life: Zhang Shengyong (centre), abandoned as a baby, smiles for the camera with his friends in his village in Henan province. Before his surgery (inset), Shengyong faced a bleak future. Opposite page: Doctors at Second Affiliated Hospital of Shantou University Medical College operate on a child.

THANK YOU, PROJECT NEW LIFE

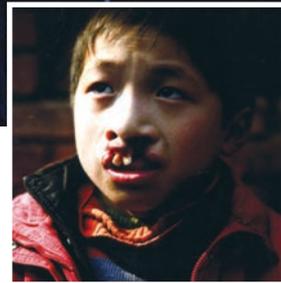
Project New Life receives many letters from grateful parents. Here, we publish one of the most moving.

In March 2007, I gave birth to a daughter. I named her Zhang Mingyue. The first time I laid eyes on my darling daughter and saw her severe cleft lip and palate, my mind went suddenly blank; my tears overflowed. I didn't know whether it was that my daughter was unfortunate or I was cursed with a bitter life. I had given birth to a still-born baby during my first pregnancy, and now this. At the time, I really thought I no longer wanted to live.

We took my daughter to the hospital and the doctors said she could be completely cured for over RMB200,000. This is an astronomical sum for our family! Just as we were approaching the depths of despair, we heard about Project New Life. With renewed hope, we thought we'd give it a try and took our daughter to The Second Affiliated Hospital of Shantou University's centre for cleft lip and palate patients. To poor families like us, only our hot tears can express the gratitude we have for the excellent and caring work of the doctors and nurses and Mr Li Ka-shing. We must raise my daughter and educate her to repay our country and our society in order to express our gratitude.

Zhang Huilian and Cai Juhua, parents
Lishu Village, Guangdong
21 January 2009

fied their hardships to give Shengyong an education. One day, a doctor visited the village and brought the little boy in for surgery. He hasn't stopped smiling since.



Founded by the PRC's Ministry of Civil Affairs and the Hong Kong-based Li Ka Shing Foundation, Project New Life is a unique private/public partnership which is a new model for standardising surgical procedures, professional project management that meets international standards and stringent quality control.

The project has already changed the lives of over 5,000 children since its inception in April 2008. Project New Life has links with 20 top university-supported hospitals across the country selected specifically for their leading expertise in oral surgery and cleft lip and palate treatment. The project plans to expand the network of hospitals to cover all provinces.

The Ministry of Civil Affairs and the Li Ka Shing Foundation have formed a task force to supervise the project office that is responsible for implementing sponsorship plans, promotional work and assisting eligible poor patients indentified by Civil Affairs Departments throughout the country in a transparent and accountable way. The Beijing-based project office also evaluates the results of the project's work and maintains an online patient database and financial system.

The project is an offshoot of the Li Ka Shing Foundation's work to provide care to the poor and is the only cleft lip charity

that offers not only free surgery but also transportation, housing, food, speech rehabilitation guidance and comprehensive assistance to the patient and family.

In addition, Shantou University Medical College is investigating the genetic basis of cleft lips and palates and is building a comprehensive database on China's cleft lip population to gain better insight into the causes of the disease and explore more effective prevention and treatment solutions.

While medical science points to a variety of factors that contribute to the occurrence of cleft lips and palates, the exact cause is not known. Orofacial clefting is, to an extent, a hereditary condition: if a parent was born with a cleft the chances that his or her child will also have a cleft rise to one in 14, given no other factors.

On the other hand, genetics only answers some of the questions. Environmental factors like exposure to pesticides or lead, extra stress, the mother's vitamin deficiency, and the use of drugs, alcohol and cigarettes can interact with a genetic predisposition.

The condition manifests itself within the first two months of pregnancy, when the two plates of an embryo's skull are not joined during fetal development. This results in a gap in the lips, palate, gums and nose cavity, ranging from a small gap to something much more severe.

Occurrence rates are about 1.65 to 1.8 births per 1,000 in China, a number that is consistent with worldwide rates, although it may be rising due to as yet unknown reasons, according to Dr Chen Renji, the head of surgery at Beijing Stomatological Hospital, Capital Medical University.

Surgery for cleft lips can be simple, lasting as little as 45 minutes. However, babies with more severe deformities may require years of surgery, dental work, speech therapy and even counseling. Most hospitals in China only provide the surgery, and only a few specialist hospitals in the country have the resources to treat the patient using a holistic approach.

At the Beijing Stomatological Hospital, Dr Chen has personally treated over 3,000 cleft lip and palate patients during his 20 years in the field. "When there isn't a charity helping with the cost of the treatment, the notes some families bring are dirty and wrinkled. You can tell that they haven't lived well for years, that they have been saving forever."

Dr Chen said that before surgery, his patients have trouble at school and are made fun of by other students. Even teachers may avoid communicating with the student because of their speech difficulties.

"Often, even if society accepts the child, he or she won't have the confidence to enter society," said Dr Chen, who not only performs surgery but also does research into speech therapy and other cleft lip and palate treatments. "They feel the pressure in their hearts and some, though definitely not all, may develop psychological problems."



HOW THE TROUBLE STARTS

Here are three main types of cleft lip and palate conditions

- Lip
- Alveolus (gum)
- Hard Palate
- Soft palate
- Uvula

Unilateral incomplete

In the case of cleft lips, there is an indentation or gap in the lip that does not extend to the nasal cavity. In the case of cleft palates, there is a hole or fissure in the palate. Simple surgery is required to sew the two sides of the fissure together. Babies with cleft lips and palates can also have hearing problems and constant ear infections.

Unilateral complete

The fissure in the lips and palate extends, in the case of the cleft palate through the gums, to the nasal cavity, linking the oral and the nasal cavity. Depending on the severity of the clefting, the patient may require multiple surgeries of the lip, palate, gums, and nasal cavity. Years of orthodontic work and speech therapy may follow.

Bilateral complete

The most severe category of the birth defect. The fissure splits off in two directions and extends through the lip and gums on two sides to both nostrils, the lip tissue in between the two fissures flip upwards. The deformity may extend to the jaw and require bone grafting.

Some students, like Liu Yingying, 18, and her twin sister Liu Jiawei, both recipients of the free treatment from Project New Life, began school late as a result of their cleft palates. They are now in their third year of junior high (ninth grade).

Yingying, who was waiting alone for her surgery in the sunny hospital room she shared with six other younger patients and their parents, speaks in a fast, self-conscious clip, often shrugging to make her point. Her speech is devoid of the guttural stops and H sounds, like the one at the beginning of her native province, Hebei.

Her parents are originally farmers, but have worked in Beijing for years. She and her sister live with their grandmother. Their surgeries have been delayed until now because the family lacked the funds to treat them. When asked about her upcoming surgery, Yingying smiled nervously but widely. "I'm happy. Really happy!"

STOCKHOLM, the political, business and cultural capital of Sweden, is abuzz with excitement. The city, not to mention the whole country, is thrilled about the recent announcement that Crown Princess Victoria is to marry her long-time partner and former fitness instructor, Daniel Westling, next year.

The timing is perfect as 2010 marks the 200th anniversary of the House of Bernadotte's rule in Sweden. When the announcement was made, a crowd gathered outside the palace and sang the national anthem. Then the Royal Court Website crashed as Swedes tried to view the video clip of King Carl Gustav XVI announcing the engagement.

"There is excitement on the streets," Pamela Andersson, the editor of *Queen* magazine, told *The Times of London*. "This is going to be wonderful for Sweden." Many people expect a lavish ceremony and hope the happy couple will be married in the Storkyrkan, Stockholm's Cathedral, just like King Carl Gustav and Queen Sylvia in 1976.

The world will be watching and television viewers will be treated to a spectacular backdrop as Stockholm is one of the most pic-



turesque cities in Europe. Spread over 14 islands strung between the Baltic Sea and Lake Malaren and connected by scores of bridges, Stockholm is somewhere everyone and everything seems to be imbued with an innate sense of style.

Justly celebrated for its design and fashion industries and an ongoing affection for hi-tech, Stockholm pulsates with smart restaurants, intriguing boutiques and humming bars that all indicate that Swedes certainly know how to enjoy themselves. Added to this is an invigorating dose of culture – the city hosts around 100 galleries and 70 museums – the natural beauty of 38 parks, and arresting architecture; the end result is a metropolis that's as stunning as it is vibrant.

Best of all, English is almost universally spoken, making Stockholm extraordinarily business and tourist friendly. And with the summer coming up, when the sun almost never sets, visitors can indulge in swimming, fishing and boating right in the heart of the city almost 24 hours a day.

"Stockholm's a vibrant and beautiful city that's also well positioned for reaching other countries in the Baltic, which makes it an excellent place for work and play," says Martin Allison,



CEO of Hutchison's container port operations in Sweden.

One of the best ways to explore the city is to take an organised tour. Three-hour bike trips around Djurgården – a former royal hunting ground which has been transformed into a lush city park – take in the major sites including the Vasa Museum whose centrepiece is a salvaged 17th century sailing ship, and the Rosendal Palace. Or visitors can simply go at their own pace with a walking trip around the old town, Gamla Stan, which is crammed with some of Stockholm's most interesting landmarks and attractions.

The changing of the guard takes place outside the Royal Palace, while the 18th century Stock Exchange Building in the Great Square, Stortorget, is where the Swedish Academy meets every year to choose the winner of the Nobel Prize for literature. One of the most unusual statues in Stockholm – commemorating the poet Evert Taube, together with his trademark sunglasses perched high up on his forehead – stands in Järntorget, which was formerly the centre of the city's iron and copper industry.

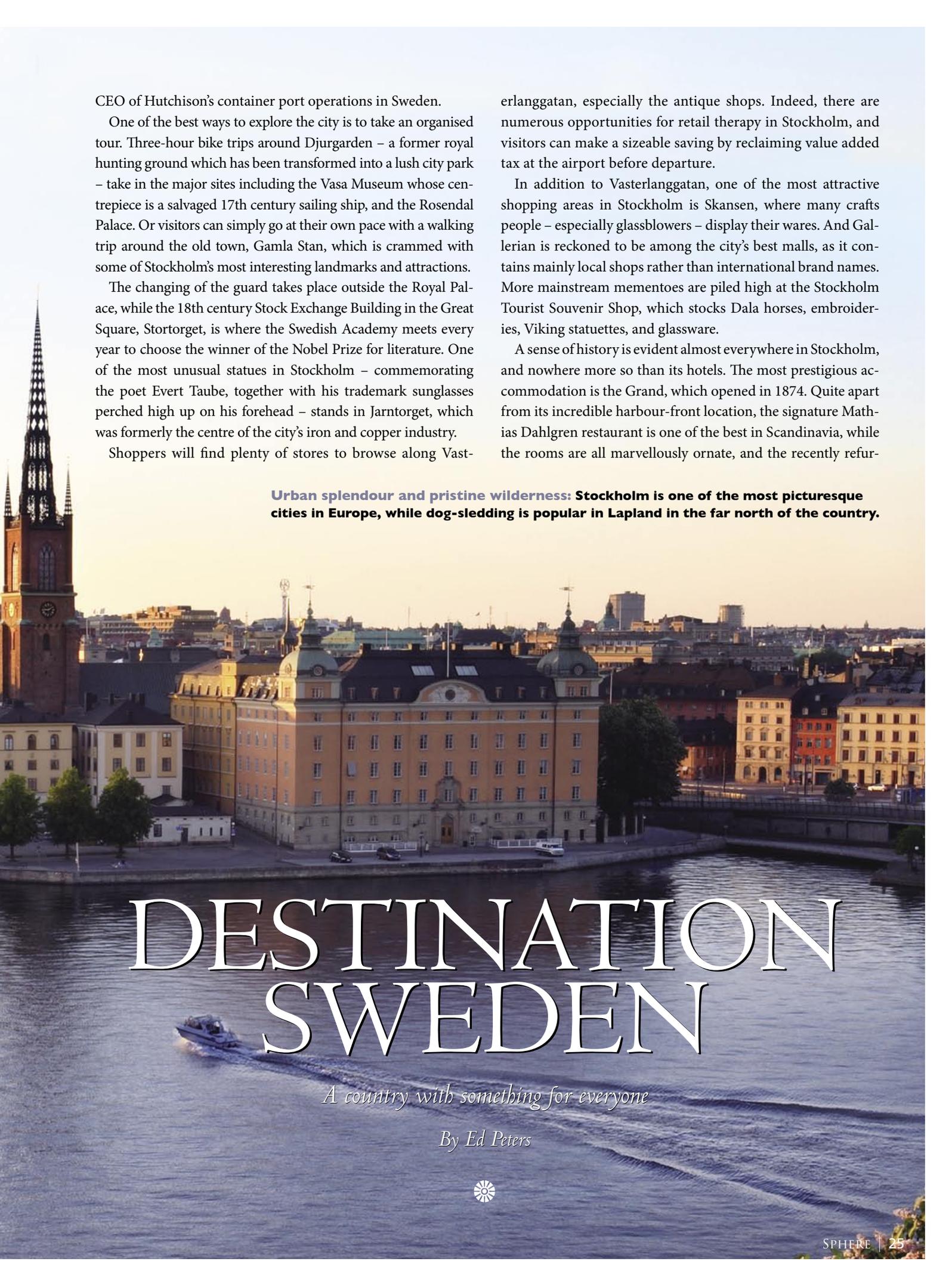
Shoppers will find plenty of stores to browse along Väst-

erlanggatan, especially the antique shops. Indeed, there are numerous opportunities for retail therapy in Stockholm, and visitors can make a sizeable saving by reclaiming value added tax at the airport before departure.

In addition to Västertlanggatan, one of the most attractive shopping areas in Stockholm is Skansen, where many crafts people – especially glassblowers – display their wares. And Gallerian is reckoned to be among the city's best malls, as it contains mainly local shops rather than international brand names. More mainstream mementoes are piled high at the Stockholm Tourist Souvenir Shop, which stocks Dala horses, embroideries, Viking statuettes, and glassware.

A sense of history is evident almost everywhere in Stockholm, and nowhere more so than its hotels. The most prestigious accommodation is the Grand, which opened in 1874. Quite apart from its incredible harbour-front location, the signature Mathias Dahlgren restaurant is one of the best in Scandinavia, while the rooms are all marvellously ornate, and the recently refur-

Urban splendour and pristine wilderness: Stockholm is one of the most picturesque cities in Europe, while dog-sledding is popular in Lapland in the far north of the country.



DESTINATION SWEDEN

A country with something for everyone

By Ed Peters



bished Cadier bar is both stylish and fun.

Smaller and with a more intimate feel, the Hotel Stureplan opened last year and blends old and new with a contemporary décor contrasting with high ceilings and chandeliers. The champagne bar is a magnet for both visitors and locals, while guests can also enjoy access to Sturebadet, one of the city's best spas.

If Stockholm seems a little staid at first sight, with grandiose buildings and monuments at every turn, then its nightlife offers a stunning contrast. A vast range of bars, clubs, pubs and live music venues get going shortly after dusk and rarely let up until the early hours of the morning.

Typical of the breed is Stampen, a Mecca for devotees of the "sound of surprise" as it plays Dixieland, New Orleans and mainstream jazz beneath a ceiling hung with stuffed animals and an assortment of antiques, while the outdoor veranda is especially popular in summer. Rather more trendy, the Blue Moon Bar attracts a host of models and actors, with a chic modern décor and a DJ spinning a huge variety of tunes from all over the globe. Alternatively, Café Opera is a bistro, brasserie and tearoom by day, but in the evening is transformed into one of Stockholm's most happening nightclubs.

More formal entertainment is on offer at the Royal Dramatic The-



atre – Kungliga Dramatiska Teatern – where Greta Garbo launched her acting career – which stages both classics and experimental productions. Even more spectacular, the Drottningholm Court Theatre dates from the 18th century and puts on both opera and ballet with performers dressed in period costume while the music of the time is played on antique instruments.

Sweden's second city, Gothenburg, was once the centre of the country's ship building industry, however nowadays it's better known for its universities and the student population gives the metropolis a merrily rumbustious air. Yet the greatest change in Gothenburg in recent years has been a mini-gastronomic revolution, with dozens of smart eateries opening up in and around the city centre.

Fresh fish from the North Atlantic is the prime ingredient, and one place to sample it is Sjomagasinet, right by the Alvsborg Bridge. The restaurant boasts a coveted Michelin star, awarded in 1999. Meanwhile, Gallic and Swedish cuisine is beautifully fused at Kock & Vin, which concentrates on matching the various dishes with the wines in the restaurant's extensive cellar.

Health-conscious eaters should drop by Wasa Alle, where nutritional ingredients are served up in dishes from all over the world. Not all of Gothenburg's dining is so formal; after work on Fridays pubs such as Respekt, Rumpbar and Tres lay on

Spoilt for choice: Clockwise from below left: **The luxurious Grand Hotel; a scenic panorama of Stockholm; Gothenburg, river views; cross-country skiing; the Ice hotel at Jukkasjarvi; Stockholm's port; the Northern Lights; a 3 shop.** Inset: **The origins of the Dala Horse, a national symbol and a popular tourist souvenir, date back hundreds of years.**



a buffet and serve drinks at happy hour prices starting as early as 4pm – though the queues usually form well in advance.

While Sweden's cities are renowned for being extremely clean and eco-friendly, it is in the countryside that visitors come to realise the precise meaning of "pristine".

"Sweden is a great place to do business, but it's also great for leisure and Swedes love the outdoors," says Peder Ramel, CEO of 3 Scandinavia. "We love the outdoors. More than half the population owns a summer home in the countryside, and in the winter we go skiing in the mountains."

Lapland, in the far north of Sweden, is famed for its World Heritage Sites, and the incredible phenomenon of the Northern Lights, which illuminate the night-time sky in an awesome display that is a tribute to nature at its most beautiful. Lapland is often justifiably described as Europe's last wilderness, and it's one vast adventure playground for anglers, hikers, and skiers. Dog and reindeer sledding is highly popular, there's ample sport for elk and small game hunters, and Lapland hosts the world's most northerly golf courses.

It's also home to Sweden's most distinctive accommodation; the Ice Hotel at Jukkasjarvi, is one vast igloo, rebuilt each year with ice from the Torne River, so the total number of rooms varies, but always with an adjoining ice chapel for weddings. The only permanent part of the hotel is the restaurant, which is built from regular construction materials, though just to remind diners that they're inside the Arctic Circle, many dishes are served on plates carved from ice.

With so much on offer, it's enough to make you want to pack your bags and jump on a plane for Sweden. 

STAYING CONNECTED

HUTCHISON'S PRESENCE in Sweden extends to two of the country's most essential businesses, providing 3G mobile services and – with effect from March 2009 – handling the port of Stockholm's container operations.

Sweden has long relied on its international maritime trade, while it also witnessed the genesis of mobile telephony. Ericsson and the then state-owned telephone monopoly launched the world's first mobile phone system back in the 1950s, although it was not particularly portable and snail-like compared to Hutchison's current 21 Mbps system. Current penetration in Sweden is approximately 110 per cent, and while Hutchison faces some stiff competition, it remains the market leader.

Hutchison Port Holdings (HPH) will operate the container terminal within Stockholm Free Port, supporting the company strategy of enlarging its presence in growing markets. The primary aim is to increase cargo handling capacity, which is currently in excess of 45,000 twenty-foot equivalent units per year.

HPH will also be instrumental in developing a dynamic new container terminal at Stockholm-Nynashamn, approximately 60 kilometres south of the city. This will cover an area of 25 hectares and will be developed in three phases, with a quay length of 800 metres and a depth alongside of 15 metres. The new terminal is expected to become operational in 2012.



Case History

WATSONS IS ONE of the longest-established health and beauty brand names in Asia. The company began in 1828 as a small dispensary in Guangzhou, southern China, and moved to Hong Kong in 1841, where it was known as the Hong Kong Dispensary.

Then... By the time the hand-written catalogue below was produced in 1881, the business was in pretty good shape and the retail outlets were known as Watsons the Chemist, proudly supplying Hong Kong customers of the day with Chinese and Western medicine.

Now... Today, the A S Watson Group is the largest health and beauty retailer in the world, with operations in 31 countries. While the old catalogue has been replaced with online brochures and the range of products has expanded enormously, the spirit of the original enterprise and desire to serve customers, wherever they may be, will never be extinguished.

