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To: "Jeffrey Epstein" <[REDACTED]>

Subject: FW: (Telegraph) China's perplexing property boom...another ghost town (and Citibank about to TRIPLE its China staff!)

Date: Thu, 02 Sep 2010 16:36:43 +0000

Attachments: image001.jpg; image002.jpg

Interesting read
very DUBAI ,

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Sent: Thursday, September 02, 2010 12:57 PM

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Subject: FW: (Telegraph) China's perplexing property boom...another ghost town (and Citibank about to TRIPLE its China staff!)

"Who are you going to believe....me, or your own lyin' eyes?!" JC

From: Alex Waldman
Sent: Thursday, September 02, 2010 12:16 PM
To: Research and Trading
Subject: (Telegraph) China's perplexing property boom...another ghost town

The Telegraph reports on another new city – old city build in China. This time it's in the city of Linyi in the coastal province of Shandong. The reporter notes that it appears construction on the new town has come to a halt.

- At the moment the new Linyi is comprised of a kind of Seattle-like space needle construction, a couple of hotels, and a completed office block or two set connected by several wide new roads with only a handful of cars driving along them.
- Not quite a ghost city, like Ordos in inner mongolia, but still somewhat eerie, particularly when every intersection seemed to have a traffic policeman in the middle to direct the traffic despite there being perfectly good traffic lights to do the job.
- All around along the roadsides, however, were multiple building sites – I counted 33 before I stopped – with the atypical concrete skeletons rising 20 or 30 storeys into the sky, topped by the arms of countless yellow construction cranes.
- I looked up at the cranes. They were not moving, their cables dangling limply from their beams. I looked at the cage-elevators that run up and down the sides of the buildings sites, but they didn't seem to be moving either.

China's perplexing property boom

By [Peter Foster World](#) Last updated: September 2nd, 2010

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 (Photo: Adam Dean)

(Photo: Adam Dean)

It is notoriously difficult to get a handle on China's property market – the bears talk about imploding ponzi schemes, while the bulls cite the pace of urbanization and the comparatively low amount of leverage most Chinese have on their properties.

More worrying, say the analysts, is the amount of potentially duff loans that have been dished out to China's local governments which threaten to weaken China's banking system, which is scrambling to recapitalize at the moment. I came across a particularly spectacular example of local government largesse last week when I was in Linyi, a city of 10m people in Shandong province which is a massive wholesaling centre and was playing host to [China's Red Games](#).

The city's local government is in the midst of a hugely ambitious building programme on the banks of the river that runs through the city.

As usual with these projects, the first thing they seem to have built is a gigantic, vaulted building to house their own ambitions – a kind of museum *before* the fact – which displays what they hope the city will look like in 10 years time. Visitors can look at a few token photos from the old days, before peering down on a model of the 'new' city the size of two squash courts, complete with flashing lights and a slit-skirted MC with a headset to tell what's what.

From there you can walk through another model of the city, padding down a virtual river-bed while gleaming skyscrapers rise either side of you until – no overkill here, you understand – you reach a small Imax-style cinema.

 (Photo: Adam Dean)

(Photo: Adam Dean)

Here ambition reaches a new level of ecstasy: whizzy computer-generated images take you sweeping on a birds-eye ride through a cityscape that wouldn't put Shanghai to shame, full of clear blue skies, skimming white birds and happy, smiling children.

Later that day, back in the real the world, we took a drive round the 'new city' to see how much of the dream has become reality.

At the moment the new Linyi is comprised of a kind of Seattle-like space needle construction, a couple of hotels, and a completed office block or two set connected by several wide new roads with only a handful of cars driving along them.

Not quite a ghost city, like Ordos in inner mongolia, but still somewhat eerie, particularly when every intersection seemed to have a traffic policeman in the middle to direct the traffic despite there being perfectly good traffic lights to do the job.

All around along the roadsides, however, were multiple building sites – I counted 33 before I stopped – with the atypical concrete skeletons rising 20 or 30 storeys into the sky, topped by the arms of countless yellow construction cranes.

There are many places like this all over China, so it took me a while to work out what was so different about Linyi's new town's construction, and then it dawned on me: hardly anybody was working on these buildings.

I looked up at the cranes. They were not moving, their cables dangling limply from their beams. I looked at the cage-elevators that run up and down the sides of the buildings sites, but they didn't seem to be moving either.

In about an hour driving round the new city we counted only a handful of workmen. The contrast with your average Beijing building site – alive with the cries of workers, the spark of welders and the general clash and clank of activity – was astonishing.

I checked if it was a holiday in Linyi, but it was not.

As I said at the beginning, it is notoriously difficult to get a handle on China's property market: perhaps all is in order. Perhaps all the salesmen flocking to Linyi's wholesale markets will (as the government's website suggests) soon be in residence in these new buildings.

Perhaps, but from the outside, for now, things looked awfully quiet in the new Linyi.

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