



Ninetowns (NASDAQ: NINE) is a leading provider of online solutions for international trade, with key services in automating import / export e-filing.

NASDAQ : NINE

### *Industry Updates - stabilizing macro environment, but challenges remain*

#### **China sees preliminary signs of success from stimulus measures**

- China is witnessing steady economic growth despite the global financial crisis
- In the first half of this year, China's GDP grew by 7.1 percent, investment expanded at a faster pace, while consumption maintained steady growth
- Domestic demand playing a stronger role in driving the economy forward
- From January to July, 6.66 million new urban jobs were created, income of urban and rural residents increased, and overall social stability was maintained
- China effectively managed fiscal and financial risks and kept budget deficit and government debt at around 3 percent and 20 percent of the GDP, respectively
- Banks' asset quality and ability to fend off risks were improved. At the end of June, the NPL ratio of commercial banks was 1.8%, down by 0.64% from the beginning of the year, and capital adequacy ratio stood at 11.1 percent

*Source: Chinese Premier Wen Jiabao's speech at 2009 Summer Davos*

#### **China still faces challenges including shrinking external demand**

- According to Customs statistics, China's imports and exports totaled USD191.7 billion in August, down 20.5% year-over-year
- Exports decreased by 23.4% to USD103.7 billion compared with the same period last year
- Imports were down 17% year-over-year to USD88 billion in August
- Song Hong, international trade research director at the China Academy of Social Science, recently said that China's exports will remain in negative growth territory year-on-year for some time