

December 21, 2007

## ASIALINKS DAILY VIEW

## Global Partnership

December 21, 2007

Wei Sun Christianson, point woman in China to John Mack, CEO of Morgan Stanley, may have had much to do with the firm's deal to sell a \$5 billion stake in itself to China Investment Corp. The state-owned CIC is walking away with a piece of Morgan Stanley as big as 9.9%, as the firm reels from a multi-billion-dollar writedown. But the deal also contributes to Ms. Christianson's status as one of China's top deal makers.

Ms. Christianson went abroad to study in the early years of China's economic overhauls; while at Columbia School of Law in the late 1980s, she met Gao Xiqing, a Duke University-trained lawyer who later helped found China's stock markets. Ms. Christianson and Mr. Gao remained friends as she climbed the investment-banking ladder and he rose through Chinese bureaucracy.

Mr. Gao today is president and chief investment officer of CIC, which was founded in September to manage \$200 billion of China's \$1.4 trillion in foreign-exchange reserves. It isn't clear exactly what role either one had in the deal, but their involvement reflects the rising profile of their generation of Chinese in global finance. The investment may pan out well for all involved, but also risks building suspicion among some U.S. politicians that CIC wants to control strategic assets.

Today, Ms. Christianson, Mr. Gao and others of their ilk are perpetuating the tradition they helped establish by recruiting Chinese talent from overseas. CIC, for example, recently hired Li Ying Ru, a young Chinese who studied in the U.S. and had spent more than a year working at the California Public Employees' Retirement System.

Read Jason Leow and Rick Carew's full report:


<http://online.wsj.com/article/SB119820060870543903.html><sup>1</sup>

\* \* \*

**TOUGH ON PYONGYANG:** South Korea's President-elect, Lee Myung-bak began hardening the terms of Seoul's diplomatic discourse with Pyongyang, urging it to relinquish nuclear weapons and saying he's willing to criticize North Korea in ways recent presidents wouldn't. The change in tone comes just one day after Mr. Lee's election. South Korean voters elected Mr. Lee, the nominee from the conservative Grand National Party, by the widest margin in a presidential election since the country became a democracy in 1987.

In contrast to the recent flurry of activity by President Roh Moo-hyun's administration to forge a peace treaty and give economic aid to North Korea, Mr. Lee said at a news conference that those things can happen after the North lives up to promises to shed its nuclear ambitions.

## DOW JONES REPRINTS

 This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit: [www.djreprints.com](http://www.djreprints.com).

- [See a sample reprint in PDF format.](#)
- [Order a reprint of this article now.](#)

Read Evan Ramstad's full report:

<http://online.wsj.com/article/SB119814730977842197.html><sup>2</sup>

\* \* \*

**DAITO LOOKS TO SELL STAKE:** A group of private-equity funds have begun bidding for a stake in property developer Daito Construction Trust Co., according to people familiar with the situation. That is because Daito founder and chairman Katsumi Tada is selling his roughly 28% stake, worth about \$1.7 billion at market prices, they say. The stake should fetch a hefty premium and could be among the biggest purchases in Japan's real estate sector. Bidders include real estate operations of Lehman Brothers, Goldman Sachs, Morgan Stanley and Aetos Capital LLC, according to people familiar with the situation.

Read Andrew Morse's and Jamie Miyazaki's full report:

<http://online.wsj.com/article/SB119812529609841855.html><sup>3</sup>

\* \* \*

**TROUBLE IN TOYLAND:** Some of southern China's toy makers -- which produce most of the world's playthings -- are feeling the pinch this holiday season because of the effects of recent massive safety-related recalls in the U.S. Companies say they are regrouping as customers from America, Europe and elsewhere have canceled, postponed or trimmed orders. Some are tightening standards to reassure Western buyers, while others hope to sell elsewhere.

For the Chinese toy industry, product-safety concerns comes as wage and raw-material costs have risen, while the appreciation of the yuan against the dollar since July 2005 has made Chinese goods more expensive in dollar terms. U.S. toy sales seem so far unaffected by the recall, but it seems clear that toy makers' profit margins are likely to shrink and retail toy prices are likely to rise as manufacturers spend more on safety and quality checks.

Read Gordon Fairclough's full report:

<http://online.wsj.com/article/SB119819930986543637.html><sup>4</sup>

**Write to** the Online Journal's editors at [newseditors@wsj.com](mailto:newseditors@wsj.com)<sup>5</sup>

**URL for this article:**

<http://online.wsj.com/article/SB119819158051843267.html>

**Hyperlinks in this Article:**

- (1) <http://online.wsj.com/article/SB119820060870543903.html>
- (2) <http://online.wsj.com/article/SB119814730977842197.html>
- (3) <http://online.wsj.com/article/SB119812529609841855.html>
- (4) <http://online.wsj.com/article/SB119819930986543637.html>
- (5) <mailto:newseditors@wsj.com>

Copyright 2007 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit [www.djreprints.com](http://www.djreprints.com).

## RELATED ARTICLES AND BLOGS

Related Articles from the Online Journal

- [Morgan's Helping Hand in China](#)
- [The New Deal Diplomacy](#)
- [Credit Suisse Aims to Create China Venture](#)
- [China's Ping An Buys Stake In Fortis for \\$2.7 Billion](#)

**Blog Posts About This Topic**

- [Morgan Stanley Posts Loss, Sells Stake to China - Reuters :: China Digital ...](#) chinadigitaltimes.net
- [China buys into Morgan Stanley, cue ominous rumbling](#) news.imagethief.com

**More related content**

Powered by *Sphere* 