

Conflict continues

Russia says it will push forward as its self-declared cease-fire ends

WORLD, PAGE 7



Chinese firms travel far and wide to retain clients

BUSINESS, PAGE 8



Zeal for nature

Exhibition shows artist's love of flowers growing in the wild

LIFE, PAGE 14

CHINA DAILY

GLOBAL EDITION 中國日報 MONDAY, JANUARY 9, 2023

Welcome return



Travelers exit Beijing Capital International Airport's Terminal 3 on Sunday after it reopened for international arrivals. Under China's optimized COVID policy, passengers arriving on the mainland are no longer required to undergo quarantine and nucleic acid tests. ZOU HONG / CHINA DAILY See story, page 3

Envoys support China's refined COVID policies

El Salvador ambassador: Pandemic response protected lives, especially vulnerable groups

By CAO DESHENG caodesheng@chinadaily.com.cn

Foreign diplomatic envoys in Beijing have voiced support for China's recent optimization of COVID-19 response measures, particularly the relaxed border policies on Sunday, as allegations against the country's refining of its response policies are amplified by various media outlets and government officials in Western countries.

The envoys echoed infectious disease experts from around the world who have voiced opposition to Western governments' restrictive policies for travelers from China, saying such measures are unscientific, unnecessary and political displays.

Hassane Rabehi, Algeria's ambassador to China, said that he believes the measures taken by the Chinese authorities to lift COVID-19 restrictions are based on scientific evaluation.

"It is certain that the measures will meet the expectations of all Chinese and different partner countries with China, because they will enable people to move better and will strengthen economic and trade exchanges," he said.

Aldo Alvarez, El Salvador's ambassador to China, said that over the past three years, China's pandemic response measures have protected lives, especially among vulnerable groups such as the elderly and people with underlying diseases.

The readjustment of China's COVID-19 policies was timely and necessary in line with the development of the pandemic, the mutation of the virus and the nation's reality, he said. The country's reopening of its borders will encourage more inbound and outbound travel and further boost trade and business exchanges, he added.

China's COVID-19 response has been adapted in accordance with the evolving situation. The Chinese government published 10 versions of guidelines as the dominant variants moved from Alpha to Beta to Delta and now the less virulent Omicron. The latest version of the guidelines, which is believed to be more scientific and targeted, were issued on Friday.

Starting on Sunday, the country downgraded management of COVID-19 in accordance with the law on the prevention and treatment of infectious diseases, a major shift in

epidemic response policies. Since the pandemic started, some Western countries and media outlets have shown prejudice toward China and have never stopped questioning and criticizing it. Whatever measures China took in response to the pandemic — from lockdown to the dynamic zero-COVID policy and the recent relaxation of border policies — they would blame China for its policy. Countries such as the United States, Japan and the United Kingdom have required travelers from China to provide negative COVID-19 test results before departure or upon arrival.

The European Union issued a statement on Wednesday encouraging member states to require all travelers from China to provide negative test results from no more than 48 hours before their departure from China, and they conduct random testing of travelers from China.

Alvarez said these countries' restrictions on travelers from China seem to serve no technical or scientific purpose and appear more like a reaction to some pressure or concerns. "Some of the restrictions are not really an accurate response to what is happening in China," the ambassador said, adding that he saw no reason to worry about Chinese tourists who plan to travel to his country.

Fredrick Malire, counselor at the Embassy of the Republic of Malawi, said the pandemic has disrupted global trade and people-to-people exchanges, and that it is good news for many countries that China has optimized its COVID response measures.

Hannan Hussain, a foreign affairs commentator and a former assistant researcher at the Islamabad Policy Research Institute, said that from the early phases of the pandemic to this month, China's data sharing with the international community has been instrumental to anti-pandemic transparency.

"The recent anti-China invective has nothing to do with Beijing's approach to data transparency, and plenty with perpetuating double standards against China and its policy gains," he said in an opinion piece published on the website of the China Global Television Network.

Xinhua contributed to this story.

Financial measures set to boost private enterprises

By ZHOU LANXU zhoulanxu@chinadaily.com.cn

China's financial policy will focus on improving the income level of vulnerable groups while stepping up support for private enterprises, in order to spur domestic demand, a central bank official said.

Experts said such efforts are expected to be a key driving force for China's economic recovery, especially as the country's space in monetary policy has expanded, thanks to a stabilizing renminbi exchange rate and expectations of mild domestic inflation.

"Financial policy should actively

cooperate with fiscal and social policies on boosting the income of low- and middle-income groups and those severely affected by the pandemic through multiple channels, to meet their basic living needs and increase spending power," said Guo Shuqing, Party secretary of the People's Bank of China, the country's central bank.

More financial products should be created to encourage spending on housing and automobiles, and financial support will be strengthened for services consumption in such areas as education and culture, Guo told Xinhua News Agency on Saturday.

According to Guo, financial services will play a big role in transforming income into consumption

and investment, which are at the core of rapid economic recovery and high-quality development.

Experts said Guo's remarks have detailed financial authorities' work agenda of boosting consumption, a key focus of the country's economic work in 2023.

Lou Feipeng, a researcher at Postal Savings Bank of China, said monetary policy is expected to work closely with fiscal policy to boost domestic demand, such as in terms of accommodating local government bond issuances by maintaining reasonable and ample market liquidity.

Monetary policy will also step up support for private enterprises, Guo said, as efforts will be made to support private companies' equity

and bond financing, reduce their comprehensive financing costs and promote the healthy development of platform enterprises while increasing support for the services sector.

As economic policies take effect while COVID containment is optimized, China's economy is likely to return to the normal growth track quickly, Guo said, adding that the country has a relatively high potential for growth.

Reflecting international financial markets' confidence in China's economic prospects and price stability, the renminbi has sharply rallied since late last year with rising capital inflows, Guo said.

See *Financial*, page 3

25 years of Sino-South African ties celebrated

The long-standing fraternal relations and solidarity between the Communist Party of China and the African National Congress and other South African liberation movements culminated in 1997 with the signing in Pretoria of the Agreement on the Establishment of Diplomatic Relations between South Africa and China, with the provision for it to take effect on January 1, 1998.

The establishment of diplomatic relations ushered in a new era for

WORLD WATCH

By Gert Grobler

South Africa-China cooperation. It paved the way for closer political, economic, cultural and people-to-people ties, in a spirit of increasing friendship and constructive dialogue.

The official establishment of diplomatic relations in 1998 was

celebrated with a state visit of the highest symbolic significance by then South African president Nelson Mandela to China for discussions with then president Jiang Zemin on May 5, 1999.

During the visit, Mandela expressed the gratitude of the people of South Africa toward China for its firm support of the "people's liberation struggle" against apartheid, which forged a strong sense of solidarity between South Africa and China.

These constructive developments culminated in the signing of the Pretoria Declaration on the Partnership Between China and South Africa in Pretoria on April 25, 2000, by Jiang and then South African president Thabo Mbeki. The declaration provided for the establishment of the high-level South Africa-China Bi-National Commission, an important mechanism for the promotion of bilateral relations.

Throughout the past 25 years, the two countries have deepened their wide-ranging bilateral relations.

See *Ties*, page 3

SEMICONDUCTOR INDUSTRY TO OVERCOME CHALLENGES

Long-term growth to be achieved amid a harsher external environment

By MA SI and LIU WEIFENG

China's semiconductor industry will overcome challenges and achieve long-term, sustainable growth, according to officials, industry experts and company executives.

This success will be fueled by the huge domestic market, consistent input into research and development and the determination to achieve breakthroughs in core technologies, they said.

Amid a harsher external environ-

In-depth

ment, including increasingly tightened export controls of chips to China by the United States, more efforts will be made to encourage domestic chip manufacturers to overcome technological hurdles while deepening cooperation with other countries, according to the industry observers.

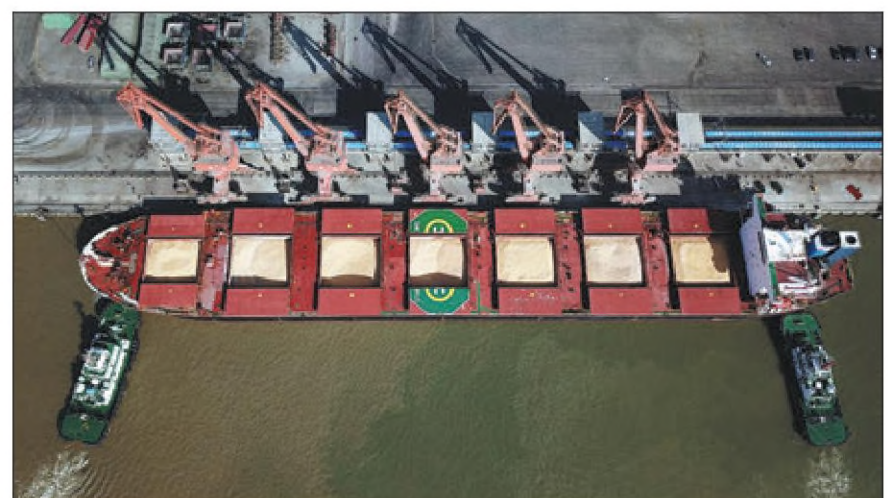
As Microsoft co-founder Bill Gates predicted, Washington's restrictions

have not only cost highly paid jobs in the US, but also spurred efforts by China to pursue self-sufficiency in crucial semiconductor technologies.

Shi Hongxiu, a professor of economics at the National Academy of Governance, said, "China can take full advantage of its super large market, which means the country has sufficient testing scenarios to verify its self-innovated technologies, lower its R&D costs, and escalate the pace of product output."

See *Microchips*, page 2

Brazilian corn shipped



A vessel carrying 68,000 metric tons of corn imported from Brazil by COFCO Corp., China's largest food and agricultural company, berths at a port in Dongguan, Guangdong province, on Saturday. It is the first bulk carrier shipment of corn from Brazil to the world's second largest economy. HUANG GUOBAO / XINHUA

A member of ANN ASIA NEWS NETWORK

© 2023 China Daily Global All Rights Reserved

www.chinadailyglobal.com

Newsstand prices: US \$1 Canada C\$1 UK £1.8 EU €1.6 Kenya 50 Kenya Shilling Asia Pacific: Thailand 120 thb; Philippines 120 php; Myanmar 2000 kyat; Japan 210 yen; Dubai 10 dirham; Pakistan 300 rupee



PAGE TWO

Microchips: Opportunities emerge amid curbs by US

From page 1

As the world's largest chip market, the Chinese mainland accounts more than half the world's semiconductors, which are then assembled into tech products to be re-exported or sold in the domestic market, according to the research company Daxue Consulting.

Shi said, "Greater importance should be attached to creating an ecosystem for innovation, instead of just focusing on one specific technological breakthrough."

"As long as we have the right channels to keep abreast of the world's leading technologies and cutting-edge knowledge, along with mutual learning among different populations, we will have numerous opportunities," he added.

Last month's tone-setting Central Economic Work Conference called for breakthroughs to be made in core technologies and also stressed the need to accelerate R&D and the application of cutting-edge technologies.

Wei Jianguo, a former vice-minister of commerce and vice-chairman of the China Center for International Economic Exchanges, said the conference again highlighted China's determination to focus on strategically important sectors such as semiconductors.

"The chip industry is known for being highly intensive in capital, talent and technology. These three factors are all needed to ensure its healthy development. We have to beef up our indigenous R&D push," Wei said.

Wang Jiangping, vice-minister at the Ministry of Industry and Information Technology, the nation's top industry regulator, said, "Persistent efforts are needed to tackle problems in crucial technologies."

One of the ministry's top priorities during the 14th Five-Year Plan (2021-25) period is to advance the modernization of industrial chains and encourage companies to develop core technologies such as high-end semiconductor equipment.

Local governments in areas such as Shanghai, Tianjin, and Guangdong and Zhejiang provinces have identified integrated circuits as one of their key industries during the 14th Five-Year Plan.

Last year, sales revenue in the Chinese chip design sector reached 534.57 billion yuan (\$78.17 billion), up by 16.5 percent year-on-year and showcasing sectoral resilience amid US export restrictions, according to preliminary data from the China Semiconductor Industry Association, or CSIA.

The data proved what Gates predicted earlier. In an interview with Bloomberg in September 2020, he said that by forcing China to make its own chips, the US would not only give up highly paid jobs but would also force China to become self-sufficient.

Greater importance

Wei Shaojun, president of the CSIA's integrated circuit design branch, said that faced with Washington's restrictions, "not only Chinese companies but those from overseas operating in China are attaching greater importance to the security of supply chains, fueling the wider use of domestically designed chips".

A renowned microelectronics

professor at Tsinghua University, Wei Shaojun also said the US crackdown on China's chip industry is disrupting global semiconductor supply chains.

Toshiya Hari, lead analyst covering the semiconductor industry at investment bank Goldman Sachs, estimated that US export controls of high-end chipmaking equipment to China could have cost the world's toolmakers \$6 billion in lost revenue last year, or 9 percent of their projected sales.

Experts said such restrictions create a sense of crisis among downstream users of chips. As a result, they seek secure supply chains less reliant on US chip technologies and products, thus opening up more opportunities for Chinese chip designers.

Wei, from the CSIA, said, "Many domestic chip design companies said last year they were granted access to some markets that they found difficult to enter in the past."

Huang Qing, managing partner at Walden International, a US venture capital company focusing on cross-border investments, said that as the US tightens control of key technologies, including premium processors, China has an opportunity to build up its semiconductor capabilities.

He added that although it lags behind some developed countries in terms of basic semiconductor materials, high-end chip-making equipment and chip design tools, China is home to leading global companies that integrate software and hardware in mobile phones, 5G communications, security equipment, new energy vehicles, and other areas. These companies traditionally tend to cooperate with suppliers in Europe and the US.

"But faced with widened restrictions by the US, they feel an urgent need to work with Chinese semiconductor companies. By serving such tech heavyweights, Chinese chip companies have the chance to become global players," Huang said.

He added that in 2021 alone, the mainland imported chips worth more than \$400 billion.

John Lee, a consultant for International Institute for Strategic Studies, a British think tank, said, "China is becoming a major player in the globalized chip value chain, a trend that US-led efforts are unlikely to derail."

Li Xianjun, an associate researcher at the Chinese Academy of Social Sciences' Institute of Industrial Economics, said China's semiconductor industry has seen robust growth in recent years.

According to the CSIA, sales revenue for China's integrated circuit industry exceeded 1 trillion yuan for the first time in 2021, with year-on-year growth of 18 percent. In 2017, the industry's sales revenue stood at about 540 billion yuan.

For the first time, three mainland chipmakers accounted for more than 10 percent of the global foundry revenue in the first quarter of last year, according to TrendForce, a market research and intelligence provider. Foundry is industry parlance for contract chip manufacturing.

According to data compiled by Bloomberg in June, Chinese chip companies are also growing faster. In the past four quarters, 19 of the world's 20 fastest-growing chip



Microchips are produced at a factory in Huai'an, Jiangsu province. ZHAO QIRUI / FOR CHINA DAILY



Left: Workers examine microchips made at a factory in Sihong, Jiangsu province. XU CHANGLIANG / FOR CHINA DAILY Right: A worker produces microchips at a factory in Ganzhou, Jiangxi province. XU CHANGLIANG / FOR CHINA DAILY



2022
year in
Review

Greater importance should be attached to creating an ecosystem for innovation."

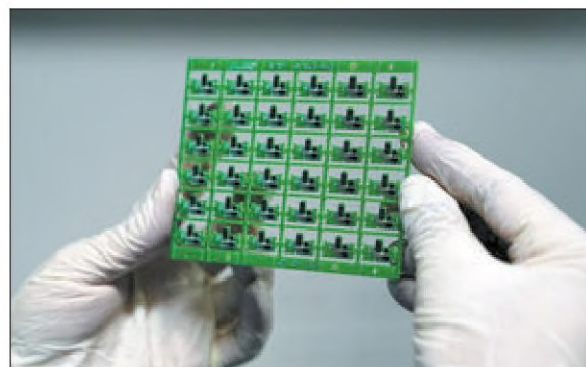
Shi Hongxiu, a professor of economics at the National Academy of Governance



Workers operate a microchip production line at a factory in Sihong, Jiangsu province. XU CHANGLIANG / FOR CHINA DAILY



Visitors to a car fair in Haikou, Hainan province, are attracted by chips made for vehicles. CHEN XIAOGEN / FOR CHINA DAILY



A worker displays chips made for remote sensors at a factory in Bengbu, Anhui province. DU YU / XINHUA

industry companies were based in China, compared with just eight the previous year.

In addition, more promising startups are emerging. As of November, there were 50 semiconductor unicorns, or startups worth more than \$1 billion, in China.

Their total valuation was 858.4 billion yuan, according to New Fortune, a financial services platform.

Of these companies, 25 are chip designers, eight specialize in general processing units, and five are auto chip companies, New Fortune said. Unicorns have also emerged in

semiconductor materials, chip-making equipment and electronically designed automation tools, with the aim of narrowing the gap between China and the US in these areas, New Fortune added.

Unique opportunity

One of the promising startups is Horizon Robotics, the first Chinese company to commercialize self-designed processors for autonomous driving. Yu Kai, the company's CEO, said smart electric vehicles are a unique opportunity for China to develop its artificial intelligence chips.

"China is now the world's most vibrant market for smart electric vehicles, and the most competitive arena for innovation for the smart EV industry," Yu said.

In October, Volkswagen said it would spend 2.4 billion euros (\$2.55 billion), its largest single investment in China, to jointly develop driving-assist functions with Horizon Robotics for its electric vehicles. The investment includes setting up a joint venture.

Wang Changlin, head of the Academy of Macroeconomic Research in Beijing, which is part of the National Development and Reform Commission, the country's top economic planner, said international competition will intensify, as there will be overcapacity in global chips for the next few years.

According to a forecast by World Semiconductor Trade Statistics, the global semiconductor market is forecast to decline by 4.1 percent this year to \$557 billion — the first annual contraction since 2019. The decline is attributed to a number of factors, including rising inflation and weak consumer markets that hurt chip sales.

"In the future, China's chip industry is likely to face more restrictions, so we have to make substantive breakthroughs in crucial technologies," Wang Changlin said.

China's semiconductor industry lacks talent, according to industry experts.

Sun Yingdong, chairman of Chinese chip company Nationz Technologies, said, "We don't have enough people — not just those who excel in semiconductor technologies, but also those who have an innovative mind and are willing to spend years on R&D." CCID Consulting, which is

based in Beijing, said that by next year there will be a talent shortfall of 220,000 people in China's semiconductor industry.

Sensing this shortage, the Ministry of Industry and Information Technology published a guideline in October calling for more efforts to cultivate top-quality engineers.

Roger Sheng, vice-president of research at global consultancy Gartner, said the industry still faces huge challenges, as it takes a long time to complete the trial-and-error process needed to select talent, which is especially important in the chip sector. This protracted procedure calls for long-term, consistent input, he said.

It takes more than just money to achieve breakthroughs in crucial areas, Sheng said, adding, "Talent and time are key."

Zhong Xinlong, a senior consultant at the China Center for Information Industry Development Consultancy, said that due to the restrictions imposed by the US, it is vitally important to strengthen international cooperation on semiconductors with European nations and countries such as South Korea.

"Openness is the soul of the semiconductor industry. Despite the sophisticated international situation, we still need to have an open and inclusive mindset," Zhong said.

Well aware of China's large market, foreign chip companies, including those from the US, are committed to establishing deep bonds with local businesses.

The Semiconductor Industry Association, a group based in Washington that represents this industry in the US, said in a report, "Access to this massive market is essential for the success of any globally competitive chip firm today and in the future."

Frank Meng, chairman of Qualcomm China, said, "We are now more confident than ever that there is an even more room for cooperation between Qualcomm and China's industry partners."

Shen Bo, senior vice-president at Dutch chip-making equipment company ASML, said it would continue to openly support and focus on the Chinese market.

ASML said China would play an integral role in driving development of a highly collaborative global semiconductor industry.

Contact the writers at masi@chinadaily.com.cn

TOP NEWS

Rushing to aid victims

Paramedics and emergency service personnel work at the scene of a diesel tanker crash on the N12 highway in Johannesburg, South Africa, on Saturday. The driver and an occupant were rescued from the wreckage and taken to a hospital.

AFP



Travelers hail 'smooth and fast' arrival process

Most restrictions for passengers arriving in China lifted on Sunday

By CUI JIA in Beijing and WANG YING in Shanghai

Airline passengers who arrived on the Chinese mainland on Sunday said the arrival process was smooth and fast, after the requirements of quarantine and undergoing a nucleic acid test were scrapped.

Many said the optimization of China's COVID-19 policy was not only good news for travelers, but would also benefit businesses worldwide.

On Sunday, management of the disease was downgraded from Class A to Class B, and most travel restrictions for passengers arriving in China were lifted. International travelers still need a negative nucleic acid test 48 hours before departure and have to wear protective masks onboard flights, according to the State Council's Joint Prevention and Control Mechanism.

China Southern Airlines Flight CZ312, which took off from Toronto, Canada, and landed at Guangzhou Baiyun International Airport in Guangdong province at 00:16 am on Sunday, was the first international flight to arrive on the mainland after the restrictions were relaxed.

At Beijing Capital International Airport, Terminal 3-E and Terminal 2 reopened for international

Inside

- See more, pages 4, 5, 6
- Editorial, page 11

arrivals on Sunday, with passengers only needing to undergo routine customs and immigration checks.

Cathy Pacific Flight CX334 from Hong Kong to Beijing became the first flight that departed from outside the mainland to land at Terminal 3-E after it was reopened.

Business traveler Yao Xin, who was on the flight, couldn't hide his excitement at being able to travel to the mainland for the first time in almost three years without having to undergo quarantine.

"It's great to see services at the airport back to normal and airport staff no longer in white protective suits. It's quite a historic moment," said the Hong Kong resident who works for a bank. "Without travel restrictions, business owners can plan their trips freely and look for more opportunities. Also, as more international flights will be resumed in the future, China will become one of the top destinations for investors," Yao said.

Richard Matuzevich from Latvia landed in Beijing on Air China Flight CA738 from Warsaw on Sunday. "The whole arrival process was very smooth and fast.

Without a doubt, the new travel policy is good for China, the world and the economy," Matuzevich said.

The Latvian, who works for an international tourism company, predicted it will be a good year for the global tourism industry, as Chinese begin to travel again.

China Immigration Inspection teams resumed inspections of all international flights at Terminal 3-E.

Xu Chunjing, the officer in charge on Sunday, said immigration teams have been testing facilities and information systems to ensure passengers can pass through inspection points smoothly.

"As the number of international flights landing at Beijing Capital International Airport starts to gradually increase, China Immigration Inspection teams will undertake more training and preparation to provide better services to inbound passengers," Xu said.

To handle the surge in inbound passenger numbers in the future, 12 inspection points have been added at Terminal 3-E. Other measures to ease travel, including the issuance of port visas, the implementation of the 24/72/144-hour visa-free transit policy, and the issuance of temporary entry permits also resumed on Sunday.

Since March 10, 2020, inbound passengers had to pass through Terminal 3-D at the airport, where they underwent a nucleic acid test and were taken to quarantine facilities. All operations in Terminal 3-D, which usually handles domestic flights, were temporarily suspended on Sunday.

Over the weekend, Shanghai Pudong International Airport dismantled facilities put in place for closed-loop transportation. By Sunday, routine procedures for inbound passengers had been restored, according to the Shanghai Airport Authority.

At Terminal 2, South African Willem Frederik Burger reunited on Sunday with his girlfriend, who was returning from Seoul, South Korea, after waiting for over two hours in the international arrivals area.

He said he was extremely excited about the policy changes for inbound travelers and has planned a trip to South Africa already. "I have been away from my own country for four years, and I am looking forward to visiting my family in June," Burger said. Chinese student Guo Xueting said the arrival process had gone smoothly, and getting through the airport was similar to pre-COVID travel.

Guo, 22, who graduated from a university in Seoul in December, said she was prepared to spend time in quarantine, but luckily it was not required.

"I am so happy that all four members of our family can spend the Chinese New Year together this time. The last time we did so was three years ago," she said.

Zheng Caixiong in Guangzhou contributed to this story.

Contact the writers at cuijia@chinadaily.com.cn

Top watchdogs intensify efforts to fight corruption

By YANG ZEKUN yangzekun@chinadaily.com.cn

China has stuck to its pledge of setting no areas out of bounds in the anti-corruption fight over the past year and has comprehensively pressed on with the strict management of officials at all levels, effectively improving overall discipline inspection and supervision, experts said.

According to the Central Commission for Discipline Inspection of the Communist Party of China and the National Commission of Supervision — China's top anti-graft watchdogs — 32 senior officials under the management of the CPC Central Committee's Organization Department were placed under disciplinary review and investigation in 2022, the highest number since 2017.

In addition, 37 senior officials received disciplinary and administrative punishments last year. The officials who were investigated came from various sectors, including the judiciary, grain management, railways, insurance and finance.

President Xi Jinping, who is also general secretary of the CPC Central Committee, has emphasized full and strict governance of the Party on various occasions since the 18th CPC National Congress in 2012.

Addressing the sixth plenary session of the 19th CPC Central Commission for Discipline Inspection in January 2022, Xi said that discipline inspection organs must unwaveringly uphold the principle of strict discipline, improve work conduct and punish corruption with zero tolerance, and correct all forms of corruption and irregularities that harm the interests of the people.

A four-part documentary, whose episodes began airing daily on China Central Television from Saturday, features the cases of several former senior officials to alert the whole Party and demonstrate a strong stance on the full and strict governance of the Party.

Among them is a high-profile case involving former justice minister Fu Zhenghua. The documentary revealed many details of how he formed cliques and expanded his political ambitions to amass greater political power and financial benefits.

"My crimes seriously damaged the image of the Party, severely harmed the public security and judicial cause, seriously damaged the ecology of the political and legal system. I learnt a very hard lesson from them," Fu said in the documentary.

The report to the 20th CPC National Congress, which was delivered by Xi in October, said corruption is a cancer to the vitality and ability of the Party, and fighting corruption is the most thorough kind of self-reform. As long as the breeding grounds and conditions for corruption still exist, the Party will keep sounding the bugle and never rest.

The report also said that discipline inspection departments will resolutely crack down on corruption where political and economic problems are intertwined, and on new and hidden forms of corruption.

Zhuang Deshui, deputy head of Peking University's Clean Government Research Center, said the CPC Central Committee has always held a zero-tolerance attitude toward corruption, and the 20th CPC National Congress also sent a clear signal that the Party regards

anti-corruption work as the most thorough self-reform. The congress will lay the foundation for the next five years' anti-corruption work, so some officials should not think they will luckily evade oversight or have mistaken ideas about the determination of the CPC Central Committee.

Before the 18th CPC National Congress, corruption was one of the urgent problems the Party and country were facing. The CPC Central Committee used the eight-point decision on improving conduct as a breakthrough to promote the full and strict governance of the Party, and the work has achieved significant results over the past decade and earned the people's praise, Zhuang said.

"Practice has shown that the central government has always taken a zero-tolerance attitude toward corruption over the past decade, and the progress has also advanced social development and promoted the spread of fine social conduct," he said.

Under the strict crackdown, many officials have chosen to turn themselves in to the authorities. According to the CCDI and NCS, about 81,000 people have turned themselves in over the past five years.

In addition, the nation has taken resolute measures in fighting corrupt officials in China and those who fled abroad. Over the past five years, more than 7,000 fugitives were arrested and brought back via China's Sky Net operation and about 35.2 billion yuan (\$5.1 billion) of stolen money was recovered.

System improved

Last year, the CPC Central Committee issued several documents aimed at improving supervision procedures, including work regulations for the CCDI, issued in January, a document on strengthening Party building among retired cadres in May, a guideline on strengthening the supervision of leading cadres in June as well as a regulation on governing leading cadres' spouses, children and children's spouses in running businesses.

Yang Weidong, a law professor at China University of Political Science and Law, said that in 2022, a series of anti-corruption laws and intra-Party regulations were introduced, laying a solid foundation for improving the anti-corruption standard system and providing strong institutional support for systemic treatment of anti-corruption and for addressing both the symptoms and root causes.

"The documents aimed to remind the officials that public power should be used inside the confines of regulations and laws," Yang said.

"Some officials may have worked in leading positions or important departments for a long time and have made enough preparations — such as promoting certain people and setting a path for their relatives — for their retirement. In the end, these actions only lead to the abuse of public power and damage to the credibility of the government," he said.

Over the past five years, 111 major laws and regulations on discipline inspection and supervision have been enacted, forming a system of laws and regulations on discipline inspection and supervision that is scientific in content, strict in procedure, complete in support and effective in operation, according to the CCDI and NCS.

Ties: Regional benefits also seen

From page 1

The bilateral relations have since been elevated to a comprehensive strategic partnership and underpinned by the 10 Years Strategic Program on Cooperation between the People's Republic of China and the Republic of South Africa (2020-29).

Since the establishment of diplomatic relations 25 years ago, the cooperation has seen significant progress, from a partnership to a strategic partnership and then to the current comprehensive strategic partnership, with both countries advancing the bilateral relationship on the basis of a strategic and long-term perspective and increasingly regarding each other as strategic pivots in their respective foreign policies.

The Sino-South African comprehensive strategic partnership is defined by the three major characteristics of being strategic, multidimensional and mutually beneficial. It is underpinned by four important cooperation platforms — the Forum on China-Africa Cooperation, BRICS, the Belt and Road Initiative and South-South cooperation — that have brought substantive benefits to both countries and peoples. The collaboration goes beyond bilateral relations to also include regional and multilateral cooperation to advance the agenda of the global south developing nations.

Bilateral trade between South

Africa and China has grown exponentially over the years, increasing from less than \$1.4 billion in 1998 to about \$54.4 billion in 2021, despite the COVID-19 pandemic. China has also been South Africa's largest trading partner for 13 consecutive years, and South Africa is China's No 1 trading partner in Africa.

Under the guidance of President Cyril Ramaphosa and President Xi Jinping, the mutual political trust and respect between the two countries have been considerably deepened, with both sides fully committed to exploring further areas of collaboration for the mutual benefit, economic growth and prosperity of both nations. Particularly since the start of COVID-19, the two heads of state have maintained close communication through meetings, telephone calls and letters, providing strategic guidance for the promotion of bilateral relations.

On Nov 15, the two leaders held a constructive meeting during the G20 Summit in Bali in which they agreed to actively enhance cooperation and advance the development of the comprehensive strategic partnership between the two countries.

In a pre-recorded message last week, Ramaphosa congratulated China in the run-up to the new year and said, "As we recover and rebuild in the wake of COVID-19, it is our wish that the comprehen-

sive strategic partnership between China and South Africa will lead to mutual economic growth, development and common prosperity — prosperity for ourselves, for our respective regions and for the rest of the world."

In turn, Xi, who is also general secretary of the Communist Party of China Central Committee, sent a message on Dec 31 congratulating Ramaphosa on his re-election as president of the African National Congress party of South Africa.

The close fraternal relations and friendship between South Africa and China were also clearly reflected by the many messages sent by South African leaders to the CPC expressing condolences and solidarity, following the recent passing of former president Jiang.

Amid the challenges and uncertainties that the world is facing, South Africa and China are jointly striving to further consolidate and expand their friendship and cooperation and carry forward the two countries' solid tradition of mutual support and assistance.

The author is a senior research fellow at the Institute of African Studies at Zhejiang Normal University and a former senior diplomat in the South African Department of International Relations and Cooperation. The views do not necessarily reflect those of China Daily.

Financial: Procedures for FDI will be simplified

From page 1

The country will further simplify the procedures for foreigners to invest in China, he added.

The onshore renminbi advanced by 585 basis points against the US dollar to close at 6.8235 on Saturday, the highest level in more than four months.

With COVID-19 disruptions waning, China's economy is expected to embrace a more substantial rebound after March, analysts at US-based Vanguard Investment Strategy Group said.

Easing measures such as appropriate loosening in liquidity and interest rate cuts may be used to facilitate the rebound, as the country's consumer inflation remains mild amid an unbalanced economic recovery, they said.

Nonetheless, Guo stressed the need to keep "highly alert" to the risk of elevated global inflation undermining domestic price stability. Efforts will also be made to promote a "normal circulation" between the property and financial sectors.

Ouyang Shijia contributed to this story.

Deadlock resolved



A sign is installed at the office of House Speaker Kevin McCarthy, of California, on Capitol Hill in Washington on Saturday. The US House of Representatives voted to make McCarthy speaker early Saturday morning, after a historic deadlock that kept the lower chamber of lawmakers from being fully functional for days after the new Congress convened. MATT ROURKE / AP

CHINA

Additional international flights resume

Passenger, cargo routes likely to climb significantly after Spring Festival

By ZHU WENQIAN, ZHONG NAN in Beijing and WANG YING in Shanghai

Global and domestic carriers have welcomed China's decision to ease COVID-19-related restrictions on international travelers, and plan to gradually expand capacity to meet increased demand.

The International Air Transport Association said the reopening of China's borders in January would have a positive effect on the pace of the economic recovery in the Asia-Pacific region. The lifting of flight restrictions is a positive step forward.

It is crucial that the entire aviation value chain in China be well prepared and adequately resourced to handle the expected surge of travelers, so as to avoid the travel disruptions and problems seen elsewhere in the world when borders reopened, the IATA said.

Starting Sunday, quarantine-free cross-border travel resumed in China after three years.

International arrivals will no longer be subject to quarantine, but still need to show a negative COVID-19 test result taken within 48 hours of boarding, according to the Civil Aviation Administration of China and the General Administration of Customs.

US carrier Delta Air Lines said it would continue to monitor the situation and focus on building the foundation for a gradual recovery, in cooperation with its partner China Eastern Airlines.

Currently, Delta operates four weekly flights, connecting Detroit and Seattle with Shanghai Pudong International Airport.

Air France plans to add a third weekly flight connecting Shanghai and Paris from Feb 4. KLM Royal Dutch Airlines will increase its passenger capacity with three more weekly flights between the Netherlands and China as of Jan 30.

"We are very excited to add three more weekly flights between Amsterdam and Shanghai, and Hangzhou in Zhejiang province, to boost our routes this winter. It marks an important milestone as we move toward the recovery of our China network," said Wouter Vermeulen, general manager of Air France KLM Greater China.

Dubai-based Emirates said it is committed to serving the demand

for travel in and out of China and is looking forward to the rapid recovery of the tourism sector to pre-pandemic levels.

Currently, the airline operates four weekly flights between Dubai and Guangzhou in Guangdong province on A380 aircraft.

Shanghai-based budget carrier Spring Airlines said it plans to resume flights to six destinations including Singapore, and Phuket and Chiang Mai in Thailand in January. Currently, the airline runs 20 outbound flights.

"We expect more outbound flights to resume at an accelerating speed after the Spring Festival," said Zhang Wu'an, a spokesperson for Spring Airlines.

Shanghai-based private carrier Juneyao Air announced that it would resume flights between Shanghai and Chiang Mai from Jan 18. In addition, the airline has prepared to restart flights to other outbound destinations and plans to resume all its flights to Thailand by the end of 2023.

An industry insider from China Eastern said currently, only a few flights to Southeast Asia are in the process of starting up again, as resuming flights to major international hubs will be affected by many factors, such as insufficient support at overseas airports.

In addition to the excitement at passenger airlines, German express service provider DHL Express said the optimized measures will help facilitate the orderly resumption of the entry and exit of China for both foreigners and Chinese citizens. The move will further benefit economic exchanges and trade between China and the world, injecting new impetus into China's economic recovery.

"DHL Express remains confident of China's long-term prospects," said Rick Zhang, senior vice-president of commercial at DHL Express China. "Looking ahead, China will serve as a key driver of global economic growth and the Chinese economy will greatly benefit global trade."

After launching a new air route connecting Wuxi, Jiangsu province and Leipzig, Germany in November, the German company's latest China gateway went into operation in Wuxi late last month.

Contact the writers at zhuwenqian@chinadaily.com.cn



Health at home

A medical team treats and hands out medications to rural residents on their doorsteps in Rongjiang, Guizhou province, on Saturday. The county has set up multiple teams to help people living in remote areas tackle COVID-19 and other common illnesses. PROVIDED TO CHINA DAILY

Wave of infections has peaked in cities, official says

By ZOU SHUO zoushuo@chinadaily.com.cn

Major Chinese cities have passed peak COVID-19 infections, with the number of patients in emergency wards dropping and patients in intensive care plateauing, according to a senior health official.

Jiao Yahui, head of the National Health Commission's medical administration bureau, said smaller cities and rural areas have also witnessed large numbers of infections recently and will face a peak in severe patients and those needing emergency treatment during the Spring Festival travel rush.

In an interview with China Central Television on Sunday, Jiao said that the number of patients contracting Omicron and showing symptoms of pneumonia accounts for around 8 percent of the total in 2022.

However, as China has a large

population, even a small percentage can result in a large overall figure, she said.

The country as a whole will probably not witness a peak in infections during the Spring Festival travel rush but will likely have a peak in critical patients and those in need of emergency treatment, she said.

With the number of patients needing intensive care rising, the occupancy rate of ICU beds increased rapidly between December and January, rising from 54 percent on Dec 25 to around 80 percent currently.

The large flow of people during the Spring Festival travel rush is increasing pressure on treating severe patients in rural areas, as the country's healthcare is weaker outside cities, she said, adding that the biggest challenge is to transfer severe patients from rural to urban areas.

Chen Cao, a researcher at the Chinese Center for Disease Control and Prevention, said that China had detected imported cases caused by the XBB subvariant of Omicron, as well as 16 domestic cases, most of them in October.

However, the subvariant has not so far become dominant and there is currently a low possibility of a large-scale epidemic resulting from XBB, he said.

Antibodies in individuals previously infected with the BA.5.2 and BF.7 subvariants will remain relatively high in the short term and should provide effective cross-protection against other Omicron variants, including XBB, he said, adding protection can even last up to six months in certain people.

China has strengthened monitoring of Omicron variants, especially outbreaks caused by XBB around the world, and of the risk of

imported infections, he said.

Although the XBB subvariant is more transmissible, it has not led to more critical illnesses or deaths, he added.

Chang Zhaorui, another researcher at the China CDC, said people are advised to take personal protection measures, such as washing their hands frequently, wearing masks, properly ventilating spaces and maintaining social distancing to enjoy Spring Festival safely.

They should refrain from holding large family gatherings and be careful not to increase the risk to elderly family members, she said.

People should get vaccinated as quickly as possible and continue to monitor their health. Those showing symptoms or who test positive should stay in well-ventilated, separate rooms and minimize contact with others, Chang added.

Senior expert: Timing of COVID downgrade 'appropriate'

By LI HONGYANG lihongyang@chinadaily.com.cn

The timing of the decision to downgrade COVID-19 management to Class B was appropriate and met scientific standards, a top expert said in response to concerns that winter was not a good moment, especially with Spring Festival approaching.

Starting Sunday, China downgraded COVID-19 management measures from Class A to B, according to the National Health Commission.

Liang Wannian, head of the commission's COVID-19 response expert panel, told China Central Television

on Sunday that although the current subtype of the Omicron variant spreads more easily, it is less likely to result in severe illness.

Liang was quoted as saying that most people in China have immunity through vaccinations and the country is in a good position, with more than 90 percent of its population inoculated.

He added that the adjustment does not mean the removal of prevention and control measures including the need to report cases, or provide treatment and necessary intervention measures for public health purposes. Rather, it means that health services will be enhanced.

"We will prioritize the treatment of those with severe symptoms and strengthen the protection of vulnerable groups such as the elderly. Vaccination rates need to increase and medical capacity in rural areas has to be boosted," he said.

Liang told CCTV that China did not make the changes passively.

"Over the three years of fighting the epidemic, we have been doing in-depth research on the virus and preparing by bolstering capabilities before downgrading," he said.

For example, emergency containment was the most important strategy adopted during the onset of the epidemic between January and April 2020.

After May 2020, China normalized epidemic prevention and control measures and continued to adjust measures for the public good and health.

"For example, when determining different areas at risk, at first we divided by province, then by prefecture or by city, and finally, we corrected that to neighborhoods. We had continued to adjust measures based on the situation and immunity," he said, adding that the national epidemic prevention and control measures were successful, but the situation remains critical and people should hold on until everything returns to normal.

Preparations made for 40-day holiday travel rush

By LUO WANGSHU luowangshu@chinadaily.com.cn

The transport sector is working hard to implement updated COVID-19 management and ensure smooth and efficient transport services during the Spring Festival travel rush, according to the Ministry of Transport.

This year's 40-day rush began on Saturday and will end on Feb 15. It is the first since China optimized COVID-19 management and eased restrictions on travel.

According to estimates from the Ministry of Transport, about 2.1 billion passenger trips are expected to be made during the period, an incredible year-on-year increase of 99.5 percent.

On Saturday, the first day of the rush, 34.74 million passenger trips were made across China, a year-on-year increase of 38.9 percent compared with the same period last year, and up 11.1 percent compared to last month, according to the ministry.

But the number was still 48.6 percent lower than the same period in 2019, prior to the pandemic. Among them, 6.02 million were

made on the railway network, and 27.35 million, 392,000 and 976,000 trips were made by road, water and air respectively.

On Saturday, more than two weeks ahead of Spring Festival, which falls on Jan 22, Qin Zhishuai took the first bullet train leaving Beijing at 5:34 am heading for Handan in neighboring Hebei province.

As an intensive care nurse, he and his colleagues plan to stagger their holidays to ensure there is enough staff at the hospital and that everyone can enjoy a holiday and have a break.

"We plan on three holiday leave 'shifts' — before, during and after Spring Festival. I am in the 'before' group," he said, adding that he will return to work before the festival to carry on helping patients.

He brought specialties from the capital as gifts, including cakes and dumplings.

"I want to spend some time with my grandparents," he said.

Wang Yiting took his annual leave and left Beijing for Datong, Shanxi province, on Friday, to avoid the crowds.

Wang plans to return to Beijing on Jan 27.

So did Wang Hu, who also took annual leave to go home to Handan on Saturday to avoid the traffic.

Many travelers have answered the authorities' call to travel off-peak for the holidays to reduce the load.

China downgraded the management of COVID-19 on Sunday, but epidemic measures for travel had been eased earlier.

To reduce the pressure of a significant expected increase in passenger trips during the rush, China is encouraging flexible and off-peak leave for holidays.

Details were included in a plan released last month by the State Council, China's Cabinet.

Vice-Minister of Transport Xu Chengguang said on Friday that the 2023 Spring Festival Transportation Special Group is working with different government departments to encourage off-peak and flexible leave to reduce pressure on the transport system.

Although China optimized COVID-19 management and lifted restrictions on travel, epidemic

control is still very important during the huge migration, said Cai Tuanjie, director of the ministry's transport department.

"We urged service providers to improve disinfection at transport hubs and on transport means, and to open more channels for ticket and security checks to avoid bottlenecks," he said, adding that more services will be run along some popular routes to reduce crowds.

"Contact-free facilities and services are encouraged," he said.

"Health management of staff will also be boosted. If staff begin to show symptoms such as fever, they will stop working," Cai noted.

Every passenger should be responsible for their own health, by wearing face masks and avoiding public transport when ill, and we will assist in improving awareness of that, he added.

On Friday and Saturday, almost everyone at Beijing Qinghe and Beijing West railway stations wore face masks, some even wearing more than one at the same time.

"We will disinfect waiting rooms more frequently, especially



Travelers wave goodbye through a train window at Wuhan Railway Station in Hubei province on Saturday, as the 40-day Spring Festival travel rush began. WU ZHIZUN / XINHUA

in key areas, including the ticket checking machine and door handles in bathrooms, to create a safe environment for travelers," said Liang Zhaoyu, a spokesman for Beijing West Railway Station.

"We will increase the frequency of disinfection on the train, carrying out disinfection every hour.

Attendants will also remind travelers to pay attention to their health. For example, if a passenger is not wearing a face mask, we will remind them to put one on. We have also stocked up on free face masks for passengers should they need one," said Gao Min, a bullet train conductor.

CHINA



From left: A worker sorts parcels at the ZTO Express logistics center in Wuhan, Hubei province, on March 22, 2020. ZHU XINGXIN / CHINA DAILY An employee at a clothing store at the Cuiwei shopping center in Beijing sells clothes while livestreaming on March 19, 2020. ZOU HONG / CHINA DAILY A worker collects helmets at a construction site in the Yizhuang area in Beijing on March 16, 2020. ZOU HONG / CHINA DAILY

Economy grows despite COVID headwinds



Country registered average growth of 4.5 percent over three years

By CHINA DAILY

As it has fought to contain the COVID-19 epidemic for most of the past three years, China's economy has expanded at an average annual rate of 4.5 percent, higher than the world's average.

In 2020, the nation was the first major economic power to register growth. The following year, its GDP increased to 114 trillion yuan (\$16.54 trillion). And last year, its economy still managed to grow despite tremendous pressure from COVID-19.

In this series of photos, China Daily photographers recorded the national and individual efforts made to keep China's economy growing over the past three years.

Left: Containers from all over the world wait to be loaded or unloaded at Yangshan Port near Shanghai on April 24.

Below: A tuna fish weighing 353 kilograms attracts attention on Nov 6, 2021, during the 4th China International Import Expo in Shanghai.

PHOTOS BY ZHU XINGXIN / CHINA DAILY



Zhuang Ning (right), the manager of Dawn City Books in Beijing, sells books while livestreaming in the bookstore on April 11, 2020. ZOU HONG / CHINA DAILY



From left: Workers assemble cars in Saic Motor's Lingang plant in Pudong New District, Shanghai, on April 23, 2020. ZHU XINGXIN / CHINA DAILY



Customers are being served at the Silian Hairdressing and Beauty Center on the Wangfujing shopping street on July 27, 2020. ZOU HONG / CHINA DAILY Chefs at a grill house in Shanghai's Jinshan district prepare food for customers on May 16, 2020. ZHU XINGXIN / CHINA DAILY

WORLD

China's relaxed COVID curbs gain plaudits

UK firms celebrate return to normal as businesses expect to land a windfall

By XING YI in London
xingyi@chinadaily.com.cn

It was just days after Christmas when Ian Zhu learned about the news of China changing its approach to the way it tackles COVID-19, including scrapping quarantine for international arrivals from Jan 8, and Zhu knew he should start looking for flight tickets.

"We've waited for this day for a long time," said Zhu, managing director of Tou Ying Ltd, a consultancy in London serving UK-China cross-border business.

"My clients all want to go to China to see Chinese partners in person because they've been communicating online for such a long time. There was one client who has signed a memorandum of understanding with a Chinese company online recently, and they want to throw a celebration party in China."

Zhu said he has been checking flight tickets in March for them.

"Online celebrations just won't get that kind of good atmosphere."

However, before Zhu's UK clients can set out for their long overdue China trips, he has been busy with arrangements for several Chinese business groups that will visit the United Kingdom in the coming weeks. Some of his Chinese clients want to hold business roadshows, some are coming to attract foreign investment, and some aim to open up a branch in the UK. "Face-to-face communication is very important for doing business, which clears misunderstanding and builds trust, and we would say the business communities in both the UK and China cannot wait to meet each other in person."

Charlie Beamish, chief executive of Beamish International, which provides Scottish whisky services, was as optimistic as Zhu is about the prospects. "A lot of our clients are based in major cities in China," said Beamish, a frequent visitor to China before the pandemic. "The great frustration with COVID is that we've not been able to visit clients and meet them face to face. Now that China has reopened we're very excited, and hopefully, we'll be there in April or May and visit cities like Beijing, Shanghai, Guangzhou and Shenzhen this year."

Beamish said he expects an influx of Chinese clients visiting distilleries in Scotland.

Many UK companies, including his, outsource some of their business to China, he said, and the previous COVID-19 measures that affected manufacturers in China affected them as well.

"The UK was expecting a sustained amount of business coming through from China. What the lockdown proved was that the UK actually does rely on China."

Keith Bennett, deputy chairman of the 48 Group Club in the UK, said: "China's lifting of quarantine restrictions for inbound travelers will undoubtedly provide a major and much-needed boost to the global economy, not least as China is the world's largest trading nation."

"Already, a couple of months ago, the head of Emirates airline predicted that there would be a bonanza of demand for seats on flights to China once restrictions were lifted. This reflected the strong demand and

appetite from the international business community."

In a news conference organized by the Chinese embassy in London on Friday, Minister Counselor Bi Haibo said that as the COVID-19 situation in China continues to improve, the effects of policies to stabilize economic growth continue to emerge.

"Beijing and other Chinese cities that have passed the peak of COVID are once again showing vitality. Resumption of work and production is gathering pace. The number of cars on the road is growing.

"The exchange of Chinese and foreign personnel becomes easier; China's long-subdued consumer demand will be released, and investor confidence will be boosted. This is good news not just for China but the entire global economy. Many economic and financial institutes and experts have predicted that China's economy will rebound strongly."

Educational exchanges

Changes to COVID-19 control and prevention measures have been well received not only by business people, but also by those involved in international cultural and educational exchanges.

Theresa Booth, joint chief executive of Chopsticks Club, said: "The loosening of restrictions will have benefits to all our Chopsticks Club members, particularly our Chinese members who can travel again to visit friends and relatives, especially those with elderly relatives in China for whom the three years of separation has been a huge worry."

The club is an independent China-UK professionals' membership network that comprises 4,000 professionals working throughout China and the UK, which initiated the Engage with China educational charity that promotes China literacy in UK schools. "From an Engage with China perspective, it means we may be able to restart our summer school programs for Chinese students visiting the UK, and we look forward to UK schools resuming their exchange programs with China," Booth said.

In outbound tourism, a surge in inquiries for flight tickets and reservations for hotels has been expected by industry insiders.

Andrew Xu, chief executive of Club Med China and executive president of Fosun Tourism Group, said the group has had an increase in reservations for its ski resort in Hokkaido, Japan, and island resorts in Southeast Asian countries.

"Even before the quarantine-free policy took effect this Sunday, we have had reservation advances of more than 1 million yuan (\$146,000) a week for our outbound tourism products for the past three consecutive weeks."

The resumption of outbound tourism will be gradual but will surge in summer, he said.

There is also a growing appetite for inbound tourists to Chinese cities such as Lijiang, Yunnan province, Xu said, and the company has been marketing destinations in China on overseas markets.

"The number of domestic flights is on the rise," Bi said. "Many countries can't wait to welcome Chinese visitors, and many people in the UK are looking forward to the realization of their China tour."



Tourists visit the Grand Palace in Bangkok, Thailand, one of the country's top tourist attractions, on Saturday. More international tourists are expected after China eased its COVID-19 curbs.

ATHIT PERAWONGMETHA / REUTERS

Thailand buzzes as Southeast Asia countries await tourist affluence

By YANG WANLI in Bangkok
yangwanli@chinadaily.com.cn

To people in Thailand and across Southeast Asia, news of China changing its COVID-fighting measures means more incoming visitors and better economic recovery ahead.

On Jan 8, following an announcement late last month, China lifted mandatory quarantine for cross-border travelers after adjusting other COVID-19 control measures, giving impetus for outbound tours. International travelers will no longer have to undergo quarantine or take a nucleic acid test when they arrive in China.

Yuthasak Supasorn, governor of the Tourism Authority of Thailand, said the tourism sector is gearing up for the return of Chinese visitors.

During a meeting with Thailand's Prime Minister Prayut Chan-o-cha last week, Supasorn said about 300,000 Chinese visitors will arrive in the first three months of the year, helping to boost tourism during the low season.

Tanes Petsuwan, TAT deputy governor for international marketing, Asia and South Pacific, said many Chinese were coming to Thailand even though Chinese travelers may not represent Thailand's top tourism market, as they did in 2019.

"We have not imposed any updated measures specifically for Chinese travelers who are entering Thailand," Tanes said.

Thailand "will not discriminate against tourists from China by subjecting them to specific anti-COVID requirements," the country's Public Health Minister Anutin Charnvirakul said recently.

On Friday, Thailand announced new COVID-related measures that require any incoming travelers to show proof of at least two doses of COVID-19 vaccination. The public health ministry also recommended that travelers buy health insurance covering COVID treatment during their stay in the country.

The new measures were announced a day after Thai ministries of public health, transportation, tourism and sports, as well as executives of several state agen-

cies, met. The nondiscriminatory measures were confirmed by interviewees at the Bangkok airport and local centers on Sunday.

Thailand fully reopened to international tourists on Oct 1.

"Over these two months it has been proven that our country can keep the pandemic situation under control," Tanes said. "At the same time we can successfully reopen the country, boost the economy and bring life back to normal."

Thailand's Finance Minister Arkhom Termpittayapaisith is also optimistic. Xinhua News Agency quoted him as saying that China's gradual restoration of its citizens' overseas travel and other favorable factors could boost Thailand's tourism, its key economic growth contributor, pushing the economy to grow 3.8 percent this year.

Gearing up

In fact, all of Southeast Asia is gearing up for more incoming Chinese travelers. Teo Yik Ying, dean of the Saw Swee Hock School of Public Health at the National University of Singapore, said Singapore has a high vaccination rate and does not need to impose additional travel regulations on Chinese tourists.

In Malaysia, which is screening the temperatures of all arriving travelers according to health rules

updated late last month, Reuters quoted the Prime Minister, Anwar Ibrahim, as saying: "We are not taking the stance of discriminating (against) any countries."

K.L. Tan, president of the Malaysian Association of Tour and Travel Agents, said: "Outright calls to shut our borders to Chinese travelers at this very early stage are irrational and irresponsible."

The local portal TTG Asia quoted Tan as saying the association "has complete faith in the Ministry of Health of Malaysia in managing Chinese arrivals just as they have done with other travelers from all over the world."

Fathir Badri Alhadad, president of the Solidarity Association For Travel and Tours Agency Malaysia, said the country needs to consider the importance of how China can help rebuild its economy before imposing any bans, adding that Malaysia needs Chinese investors to further develop its national economy.

The region is home to many tourism-reliant economies in which the Chinese used to account for the bulk of visitors to beach resorts, luxury malls and casinos that have all been hit hard by their absence over the past three years.

Xu Weiwai in Hong Kong and Xinhua contributed to this story.



A tourist takes pictures on Tuesday with the red lantern decorations at the Thean Hou Temple in Kuala Lumpur, Malaysia, ahead of Chinese New Year celebrations, which mark the Year of the Rabbit. MOHD RASFAN / AFP

African commerce welcomes new steps

By OTIATO OPALI
in Nairobi, Kenya
otiatoo@chinadaily.com.cn

African traders have welcomed China's changes to its COVID-19 response measures, which include no longer requiring inbound visitors to quarantine, effective on Jan 8, expecting a boom in bilateral trade.

Victorina Oningo, a Kenyan who lives in Qatar but imports car spare parts from China to Kenya, said China's move to facilitate international travel is a big boost for her business.

Oningo, who is in Kenya to celebrate the new year with her family, said her business has been affected by the pandemic over the past three years, so she was glad to hear about the changes.

"Things are looking up for those of us who depend on travel to China to secure our supplies."

Thadeus Musoke Nagenda, chairman of Kampala City Traders Association in Kampala, Uganda, said the news that inbound travelers to China will no longer need to go into quarantine when they arrive in the country has excited business people.

"We are happy that our traders will finally travel to China after a long period. This will make trade between the two countries easy."

Boosting trade

It will boost trade between Uganda and one of its major trade partners, he said.

In Togo, news of China's new COVID-19 response measures has been overwhelmingly welcomed by local traders. According to Television Togolaise, the country's state broadcaster, the number of calls in the country to inquire about overseas travel to China has risen.

"People want to go to China," Television Togolaise reported. "More courageous traders are already planning to make the much-awaited trip to China, and we believe they will open the way to other traders who might be hesitant about the new rules."

Togo imported goods from China worth \$442 million in 2020, the World Bank says.

China has been Africa's largest trading partner since overtaking the United States in 2009. China is also a major investor on the continent, funding big infrastructure projects as part of the Belt and Road Initiative.

In 2020 China adopted strict measures for controlling and preventing COVID-19. Inbound visitors were required to quarantine in designated hotels for two weeks, followed by home quarantine. These and other control measures have now been scrapped.

On Wednesday, reacting to China's relaxation of restrictions, Kenya's Health Cabinet Secretary, Susan Nakhumicha, said her country had no plans for new measures for passengers traveling to Kenya from China, saying such a move would hurt the economy.

"In my view, I do not think it is going to be necessary for us to impose any travel restrictions on travelers from China."

Kenya is recovering economically, she said, "so I will not rush to impose any restrictions, but my call to Kenyans is that they should continue with vaccinations for those who have not been vaccinated."



Chinese travelers arrive at Charles de Gaulle Airport in Paris on Wednesday. JULIEN MATTIA / VIA GETTY IMAGES

Egypt's bazaar looks forward to return of travelers

CAIRO — Shop owners in Khan el-Khalili, one of the most famed tourist bazaars in the Egyptian capital Cairo, are expecting the return of Chinese tourists after China opened up its borders beginning Sunday.

Located in the heart of Cairo's old Islamic district, the centuries-old market used to be filled with tourists from all over the world.

However, the COVID-19 pandemic has made the market lose its vibrant edge.

Amr Dahi, who sells precious stones and copper artifacts in the market, said his shop used to enjoy good business before the pandemic. "Before the spread of COVID-19, the business was good as large

They (Chinese tourists) love Egyptian traditions and prefer traditional Egyptian food and are always keen to try it."

Mohammed Saleh, owner of a traditional Egyptian restaurant in Khan el-Khalili

numbers of tourists, especially Chinese, flocked here," he said. He looks forward to the return of Chinese tourists who may help boost his flagging business.

China used to be the fourth-largest source of tourists to Egypt, with hundreds of thousands coming each year for its historical sites and sunny sandy beaches.

"Chinese tourists constitute a large percentage of buyers," Dahi said. "They would spend a lot on buying antiques and gifts."

Mohammed Saleh, owner of a traditional Egyptian restaurant in Khan el-Khalili, said Chinese people are very friendly.

"They love Egyptian traditions and prefer traditional Egyptian

food and are always keen to try it," he said. He recalled when the market's alleyways were bustling with Chinese tourists.

"We pray that Chinese tourists will return so that the situation will improve," Saleh said.

In 2019, tourism revenues in Egypt hit a record high of \$13.03 billion, with 13.1 million tourists. The pandemic had battered Egypt's tourism sector.

During the first half of last year, about 4.9 million tourists visited the country, an increase of 85.4 percent compared to the same period in 2021, Egypt's official statistics agency said.

XINHUA

WORLD

US move draws sharp criticism from Europe

Inflation Reduction Act seen as enticing investors away from Washington's allies

By CHEN YINGQUN
chenyingqun@chinadaily.com.cn

Since the United States Inflation Reduction Act, or IRA, came into force on Jan 1, European countries have not let up on their criticism of it and are working on measures to respond to it.

The act, aimed at speeding up the US' transition to a low-carbon economy, includes about \$370 billion in subsidies for green energy, as well as tax breaks for US-made electric cars and batteries.

France's Finance Minister Bruno Le Maire told the broadcaster France Inter on Wednesday that he was working on a bill to strengthen the country's green industries that will include tax, regulation and legislative measures to accelerate the installation of industrial sites in France.

"The aim of the bill is to promote green industries, green hydrogen and the production of electric batteries, nuclear energy, of course, and renewable energies," he said.

Josep Borrell, high representative of the European Union for Foreign Affairs and Security Policy and vice-president of the European Commission, said in an article on Jan 2 that "this legislation is based on a very different philosophy from the one we have favored".

"It does not foresee carbon pricing and mainly provides for important public subsidies to companies producing goods incorporating green technologies on American soil. This type of action penalizes European producers in our trade relations and does not respect World Trade Organization rules."

The Energy Innovation Group, an energy and climate think tank in the US, estimated that the IRA would lead to the creation of 1.4 million to 1.5 million additional jobs and raise US GDP by 0.84 to 0.88 percent by 2030.

While bringing great economic benefits to the US, the act is widely considered to harm others, especially allies of the US, because it is starting to lure investment in green technology away from European manufacturers.

For instance, under the IRA, Northvolt of Sweden could receive up to 800 million euros (\$836 million) in US government aid to build a factory making batteries used in electric vehicles, about four times what

the German government is offering. Moreover, the cost of energy in the US is much lower than it is in Europe. So the company is considering delaying its plans to build a factory in Heide, northern Germany, Peter Carlsson, its chief executive, said.

Other companies' executives have echoed that sentiment. A recent survey by the German Chambers of Commerce and Industry suggests that 39 percent of companies want to raise investment in the US, compared with 32 percent who want to raise it in Europe.

Energy crisis

For Europe, which is in the midst of an energy crisis, US subsidies for electric vehicles are a blow to its economy, said Zhao Yongsheng, a researcher at the Institute for Regional Studies at the University of International Business and Economics in Beijing.

"In the short term the biggest impact of the IRA will be on major European economies such as Germany, France and the UK, as well as Nordic countries with very high per capita economic indicators despite their small size. In the long term the bill will affect all European countries because green industries and ecological transformation are a must for all European countries."

Some European academics, politicians and companies are calling on the EU to directly retaliate over the act and make coordinated responses to support their companies. France and Germany are calling for Europe to push efforts to develop an ambitious green industrial policy to give the continent a competitive edge against the US.

However, the prospects of the EU taking steps to restore European competitiveness to the US are dim, because the 27-member bloc has to go through complex administrative procedures to determine policies, said Dong Yifan, an assistant research fellow at the China Institutes of Contemporary International Relations in Beijing.

The formal implementation of the IRA will endanger the global industrial chain, especially green industry, and European countries will bear the brunt, Dong said.

Agencies contributed to this story.



People enjoy their dinner with a flashlight and candles during a power outage on Orthodox Christmas Eve in Lviv on Friday. ARTUR WIDAK / VIA GETTY IMAGES

Moscow ends self-proclaimed cease-fire

MOSCOW — A self-declared cease-fire over Orthodox Christmas from the Kremlin ended on Sunday, with Russia vowing to push on with the special military operation in Ukraine until it reaches a victory.

President Vladimir Putin ordered a 36-hour cease-fire on Friday along the line of contact to observe Russia and Ukraine's Orthodox Christmas, which fell on Saturday.

Despite Russian troops' observance of the truce, Ukraine continued artillery shelling of populated areas and Russian positions, while Russian forces responded with fire, the Russian Defense Ministry said.

Most Ukrainian Orthodox Christians have traditionally celebrated Christmas on Saturday, as have Orthodox Christians in Russia. But this year the Orthodox Church of Ukraine, the country's largest, allowed also a Dec 25 celebration. Still, many observed the holiday on Saturday, flocking to churches and cathedrals.

After the cease-fire ended, the Kremlin said Moscow will press ahead with the special military operation in Ukraine.

"The tasks set by the president (Putin) for the special military oper-

ation will still be fulfilled," Putin's first deputy chief of staff Sergey Kiriyenko was quoted by Russian state news agency TASS as saying. "And there definitely will be a victory."

There is no end in sight to the conflict, now in its 11th month, which has killed thousands, displaced millions and turned Ukrainian cities into rubble.

Ukrainian officials also reported blasts in regions that make up the broader Donbas region, the front line in the conflict where fighting has been raging for months.

Missile strikes

Pavlo Kyrlyenko, governor of the Donetsk region, said there were nine missile strikes on the region overnight, including seven on the battered city of Kramatorsk.

Blasts were also heard in the city of Zaporizhzhia, a local official said, without giving any immediate report on damage or casualties.

Minutes after the start of the cease-fire on Friday, the White House announced \$3.75 billion in weapons and other aid for Ukraine and its European backers.

Ukrainian President Volodymyr Zelensky praised the United States

for including tank-killing armored vehicles in its latest package of military aid, saying they are "exactly what is needed" for Ukrainian troops locked in combat against Russian forces, even as both sides celebrated Orthodox Christmas.

Ukrainian officials denounced the unilateral 36-hour cease-fire as a ploy and said it appeared to have been ignored by some of Moscow's forces. Ukrainian officials reported Russian shelling attacks in the Dnipropetrovsk and Zaporizhzhia regions on Saturday.

However, Russia's Defense Ministry insisted on Saturday that its forces along the 1,100-kilometer front line were observing the Kremlin-ordered truce, but returned fire when attacked.

The latest round of US military assistance was the biggest to date for Ukraine. For the first time, it included 50 Bradley armored vehicles and 500 anti-tank missiles they can fire. Germany also announced it would supply around 40 Marder armored personnel carriers and France promised wheeled AMX-10 RC tank destroyers.

AGENCIES VIA XINHUA

Six-year-old shoots teacher in Virginia

By AI HEPING in New York
aihaping@chinadailyusa.com

A 6-year-old boy shot his first-grade schoolteacher during an "altercation," police in Virginia say. "This was not an accidental shooting," Police Chief Steve Drew said on Friday evening of the shooting that occurred about 2 pm that day. The child and the teacher had an altercation before a single shot from a handgun was fired at Richneck Elementary School in Newport News, a city of more than 180,000 people, about 110 kilometers southeast of Richmond. It did not appear that the boy and the teacher knew each other beyond the classroom environment.

The teacher, identified as Abigail Zwerner, 25, suffered "life-threatening injuries" from the shooting, Fox3 Now News quoted authorities as saying. She was in "stable condition and trending in a positive direction," USA Today quoted the Mayor of Newport News, Phillip Jones, as saying on Saturday afternoon.

The boy was taken into police custody, Drew said. No students were injured. School officials had quickly brought all students and

teachers to the school's gymnasium and authorities had talked with lawyers about how to proceed.

Police have not said where the boy obtained the firearm or if any adults have been questioned about the shooting. A representative for the US Bureau of Alcohol, Tobacco, Firearms and Explosives told ABC News that the agency is helping in the investigation by tracing the firearm recovered at the scene.

Virginia law does not allow 6-year-olds to be charged as adults, The Associated Press reported, nor can the boy be placed into the custody of the Department of Juvenile Justice if he is found guilty of any charges, the news agency said. However, a juvenile judge could place him under the control of the Department of Social Services.

USA Today quoted Andrew Block, a law professor at the University of Virginia and the former director of the Virginia Department of Juvenile Justice, as saying authorities may file a petition saying the boy needs services such as counseling. It is more likely authorities will focus on providing services to the boy in the interests

of rehabilitation rather than punishment, he said.

Sebastian Gonzalez-Hernandez told Fox3 his 6-year-old son was in the class when the shooting happened.

The teacher "screamed at her kids to run away" after being shot, Gonzalez-Hernandez said. His son heard the gun go off and turned to see Zwerner collapse before he ran from the classroom, Gonzalez-Hernandez said.

The New York Times quoted Trannisha Brown, whose 11-year-old son, Carter Jackson, is a fifth-grader at Richneck, as saying that soon after the shooting she received a call from her son Carter. He took cover on the floor of his classroom with his friends after they heard gunfire.

"It shook me up hearing those kids crying and going frantic. All they knew was that there was a shooter in the school and they didn't know where the shooter was."

She stayed on the phone with her son, trying to comfort him. "You are going to be all right," she recalled telling him.

Agencies contributed to this story.

Fishing on ice



Anglers cast lines through holes drilled in the surface of a frozen river during a trout-catching contest in Hwacheon, South Korea, on Saturday. The contest is part of an annual ice festival that draws more than 1 million visitors every year. AHN YOUNG-JOON / AP

S. Africa's governing party reaffirms support for BRICS

By NDUMISO MLLILO
in Johannesburg, South Africa
For China Daily

South Africa's governing party, the African National Congress, or ANC, reiterated supporting a multipolar world order and the country's BRICS membership in its 55th national conference that concluded late last month.

The ANC held its 55th national conference between Dec 16 and 20, and elected the top seven party leaders and 80 national executive committee members to lead the party for the next five years.

In a declaration issued following

the conference, the party said it will continue to work toward a multipolar world order and will work with progressive forces in the world by focusing on the implementation and realization of the goals of Agenda 2063 put forward by the African Union in 2015.

ANC committee member David Makhura said the party welcomes China's development and is concerned about the rise in populism and right-wing forces in the West.

"The ANC draws valuable lessons from some progressive forces across the world. BRICS has set up its own institutions and more countries want to join it," he said.

"The rise of China and BRICS is being countered by governments and forces we call conservatives, competitive forces that see China as a rival. China is being countered through trade wars. The ANC is part of the progressive global forces. We are trying to counterbalance a development path chosen by the Global South rather than dominated by the hegemony in the Global North, North America and Europe."

Makhura said instability and conflict reduce the gains made in the African continent and affect economic growth, and African leaders should work together to ensure peace and stability in the continent.

On the conflict between Russia and Ukraine, Makhura said it is a continuation of the Cold War. Makhura said South Africa has historically been part of the nonaligned movement and it still believes it does not need to take sides. The ANC concluded that all "protagonists" should be brought to the negotiating table, he said.

Makhura said the conflict formed an important part of the discussion. It concluded that the US and NATO are now participating in the conflict, and it is "undermining and threatening" world peace.

The writer is a freelance journalist for China Daily.

CHINA DAILY USA

NEW YORK HEADQUARTERS

1500 Broadway, Suite 2800,
New York, NY 10036

Telephone: 212-537-8888

Fax: 212-537-8898

editor@chinadailyusa.com
readers@chinadailyusa.com

Subscription: 212-537-8899

Advertising: 212-537-8916

Follow us on:

twitter.com/chinadaily

facebook.com/chinadaily

usa.chinadaily.com.cn

These materials are distributed by China Daily Distribution Corp. on behalf of China Daily Beijing, China. Additional information is on file with the Department of Justice, Washington, DC.

WASHINGTON

National Press Bldg, Suite 1108 529 14th Street NW

Washington, DC 20045

Tel: 202-662-7249

Fax: 202-662-7247

SAN FRANCISCO

235 Montgomery Street, Suite 900

San Francisco, CA 94104

Tel: 415-348-6288

Fax: 415-348-8388

SEATTLE

800 Fifth Ave, Suite 4100

Seattle, WA 98104

Tel: 206-922-2868

HOUSTON

1001 South Dairy Ashford Suite 100

Houston, TX 77077

Tel: 713-595-7600

CANADA | TORONTO

471 Yonge Street, 10th Floor

Toronto, Ontario, M2N 6K8

Tel: 416-481-5706

CHINA DAILY (ISSN 0748-6154) is published daily except weekends by China Daily USA, 1500 Broadway, Suite 2800, New York, NY 10036. Periodical postage paid at New York, NY and additional mailing offices.

POSTMASTER: Send address changes to CHINA DAILY USA, 1500 Broadway, Suite 2800, New York, NY 10036.

Vol. 38 - No. 1003

BUSINESS

JOIN THE CONVERSATION; FOLLOW US ON TWITTER · CHINA DAILY

Harnessing physical space to spur exports

Chinese firms travel far and wide to retain clients, win new business orders, secure growth

By ZHONG NAN
zhongnan@chinadaily.com.cn

COVID-19 pandemic has made business difficult for Chinese exporters since early 2020. But, displaying resilience and imagination, they are defying physical realm constraints and even chartering flights to travel to all parts of the globe, in order to attend trade shows, build rapport with overseas buyers, retain existing clients and win new business orders. This, in turn, is helping them to embrace customized production, upgrade technologies and ensure growth amid an overall downturn, trade experts said.

This is a far cry from the past when Chinese export-oriented companies used to rely on sales teams, foreign trade agencies and cross-border e-commerce channels to land business orders. Back then, they exported products ranging from clothing and furniture to electric vehicles and construction machinery.

Of course, they still do all that, but a lot has changed since then, and a lot more will change in the coming years, demonstrating that China's trade is critical to the health of the global economy and its recovery from the ravages of the pandemic and geopolitical tensions, trade experts said.

Amid faltering global trade and softening demand for various goods, owners and sales heads of Chinese export-oriented companies in provinces like Shandong, Jiangsu, Zhejiang, Guangdong, Fujian and Sichuan have turned jet-setters, participating in business events such as the Asia Fashion Fair 2022 Tokyo, the Food Ingredients Europe 2022 in Paris and the China Homelife Dubai 2022. They have been carrying tons of samples, USB flash drives and product brochures to global locations to retain existing clients and secure more business orders.

For instance, Suzhou, an export powerhouse in East China's Jiangsu province, has organized several batches of business groups to visit Japan, France and Germany to secure orders since November. Its delegations to Japan met more than 200 local business clients and sealed 1 billion yuan (\$145.4 million) worth of deals during their tours.

Jiaxing in Zhejiang province also confirmed that more than 80 groups of exhibitors will participate in various overseas trade exhibitions by the end of 2023. Five groups had already traveled to overseas destinations in December last year, according to the city government.

The Beijing-based China Council for the Promotion of International Trade announced in December that it had approved 15 out of 35 planned overseas economic and trade exhibition projects to boost exports. These 15 events were scheduled to be held between November last year and February in eight countries, including Germany, the United States and



An employee (right) introduces a forklift to visitors during the China Homelife Dubai 2022, a trade fair that provides a sourcing platform for Chinese goods, held in Dubai, the UAE, in December. SU XIAOPO / XINHUA



An economic and trade delegation, consisting of 23 Yongkang city enterprises, heads to the United Arab Emirates to explore the overseas market, from Yiwu Airport in Zhejiang province in December. HU XIAOFEI / FOR CHINA DAILY



A batch of cars and excavators for export to the European market are seen at the foreign trade car terminal yard of Taicang Port in Jiangsu province in December. JI HAIJIN / FOR CHINA DAILY

the United Arab Emirates.

As for individual companies, rather than wait for the overseas orders to flow in, Rollmax Shutter Component Co Ltd, a Ningbo, Zhejiang province-based roller shutter component manufacturer, secured nearly \$1 million worth of orders via a trip by Ding Yandong, its president, to the UAE in early December.

"Some of these deals were sealed on the spot, and some will be further discussed in the coming days after the meetings. The result has exceeded my pre-departure expectations indeed," he said.

This was not the first time that Ding had boarded a chartered flight to a foreign country last year. As part of a tour organized by Ningbo's municipal government in July, he visited Hungary with a group of businesspeople.

"The reason was, a key Hungarian customer wanted to change the supplier and we failed to communicate properly with him through many phone calls and e-mails. So, I decided to fly there to talk with him face-to-face and succeeded in retaining the order," he said. The client's order for door and window accessories had already been partly fulfilled by way of shipment of two containers in September, and the rest of the orders were fulfilled by

the end of December.

Sharing a similar experience, Wei Guowen, chairman of Zhejiang Baolinda Toy Manufacturing Co Ltd, a Ningbo-based toymaker, recalled that after he introduced a product, which sold well at domestic market, in Italy, local customers there immediately signed contracts and placed orders.

"Our European customers prefer to see, touch and feel products before placing orders," he said. "Trips to Europe and the United States, which are our key export markets, certainly helped us to get a clear picture of what local consumers want and gain some insights in terms of product design and functions."

Overseas visits combined with industrial upgrade have not only helped expand Ningbo-based exporters' overseas footprint, but boosted the city's foreign trade volume by 7 percent year-on-year to 1.16 trillion yuan between January and November last year, according to Ningbo Customs, a local unit of the General Administration of Customs.

China's foreign trade value rose 8.6 percent year-on-year to 38.34 trillion yuan during the January-November period last year, GAC data showed.

Overseas group tours have

helped Chinese exporters stabilize their advantageous trade channels, said Cui Fan, a professor of international trade at the University of International Business and Economics in Beijing.

This has been borne out by Hunan province, the host venue for the China-Africa Economic and Trade Expo. It sent business delegations to Mozambique, Tanzania and Madagascar in recent weeks. Similarly, Northeast China's Jilin province organized local entrepreneurs to visit the Republic of Korea to boost exports and promote big-ticket projects with South Korean companies such as LG Chem Ltd, SK Group and Samsung C&T Corp.

"These moves encapsulate the tenacity and swift response of millions of manufacturers in China. After all, not all export deals can be sealed via cross-border e-commerce channels," said Sun Jianjiang, director of Suzhou Bureau of Commerce.

Apart from traveling to developed countries such as Japan, the US, Germany and France to retain existing clients, many business owners have been actively exploring emerging markets, especially signatory countries of the Regional Comprehensive Economic Partnership agreement, he said.

In the face of declining demand

for goods and inflationary pressure in many countries, it is practical for domestic companies to expand their market presence in other RCEP economies, said Zhou Mi, a researcher at the Chinese Academy of International Trade and Economic Cooperation in Beijing.

He said domestic firms are likely to reap huge benefits in the years ahead as the RCEP agreement, which came into force on Jan 1 last year, delivers increasingly prominent dividends to member economies through tariff concessions and trade facilitation.

Made-in-China.com, a platform for Chinese foreign trade enterprises, recently organized a direct purchase event in Malaysia, bringing together Chinese manufacturers and exporters on the one hand and local buyers in Malaysia on the other. This was its third such event since October, including a similar one held in Indonesia.

Wei Yulu, chief representative for Malaysia at Sinopec Lubricant Co Ltd, a subsidiary of State-owned China Petroleum and Chemical Corp, attended the Malaysia event. He said that apart from introducing the company's products and services, participation in commercial events abroad can help Sinopec Lubricant to gain more first-hand market information

and better understand the preferences of various clients this year.

Moreover, with China entering a new era of green and innovation-led growth, Chinese manufacturers from many industries have begun to export more high-end products ranging from electric buses to liquefied natural gas carriers and regional passenger jets to global markets.

"Many countries still rely more on non-rail public carriers to transport people. So, the annual growth of exports of such carriers like buses has basically been maintained at around 50 percent over the past several years," said Zhang Hui, vice-president of overseas sales branch at Higer Bus Co Ltd, a bus and truck manufacturer based in Suzhou, Jiangsu province. The company supplied 1,815 buses to Qatar for the 2022 FIFA World Cup in 2021.

While Europe has become a saturated market, fast-growing markets such as India, member economies of the Association of Southeast Asian Nations and Latin American countries offer a contrast," he said.

Bus manufacturers in Suzhou saw their export value jump 292 percent year-on-year to \$321 million in 2021. They exported 1,726 buses to Israel, Pakistan and the Republic of Korea among others in the first 10 months of last year, data from local Customs showed.

In addition to private companies, State-owned companies, including China Harbour Engineering Co Ltd and China National Machinery Industry Corp, have sent their executives to countries such as Malaysia, Serbia and Indonesia to secure both new business orders and fresh contracts.

As Chinese exporters' robust forays into foreign markets gained momentum, the tone-setting Central Economic Work Conference in mid-December called for accelerating the building of a modern industrial system, achieving breakthroughs in core technologies in key fields and improving the global competitiveness of China's traditional industries.

The meeting vowed that China will actively seek to join high-standard economic and trade agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the Digital Economy Partnership Agreement.

China's recent moves to optimize its COVID-19 control policies have also raised market expectations of an economic rebound. Many domestic manufacturers and service providers think this development is welcome as it creates more space for them to further compete with other established rivals in the world, said Gao Lingyun, a researcher at the Institute of World Economics and Politics, which is part of the Chinese Academy of Social Sciences in Beijing.

The GAC announced in mid-December that it will boost exports of competitive products, support companies to secure orders and expand markets, and realize the full potential of exports to support the economy.

"Bolstered by opening-up measures, China's advantages like market stability and highly efficient production will ensure the country's success in the future industrial chain and in global markets," said Yi Xiaozhun, former deputy director-general of the World Trade Organization.

Implications of shift from processing trade to general trade

REPORTER'S LOG

By Zhong Nan

For a while now, China's foreign trade has been shifting from processing trade to general trade.

Processing trade involves Chinese importers of raw materials who process them in China and then export the produced goods, riding export-friendly regulations and related infrastructure like special export zones.

Now, however, new forms of general trade are creating more value. Over the past decade, Chinese exporters have shipped more products via cross-border e-commerce channels. They have also begun to

provide customized products to customers across the world.

Driven by technology accumulation and the government's opening-up measures, general trade, which represents a longer production chain and higher added-value as the key indicator of a country's foreign trade competence, grew by 12.4 percent year-on-year to reach 24.47 trillion yuan (\$3.5 trillion) during the January-November period last year, accounting for 63.8 percent of China's total trade volume, data from the General Administration of Customs showed.

A decade back, however, processing trade accounted for the lion's share of China's foreign trade. That was a time when a large number of domestic companies did not have their own brands, technologies and marketing channels.

But now, it's a different story. Chinese companies now play an increasingly vital role in supporting the operations of the world's supply chain. Customs data showed that the proportion of processing trade in the overall trade declined while that of general trade began to rise notably since 2009.

After years of development, general trade has changed form and is different from what it was in the past, when Chinese companies made and sold what the market had demanded. But now, they produce what they want to sell.

Thus, they are able to increase the added value of foreign trade and improve the technical content.

Processing trade mainly emphasizes the world trade pattern. In the past, China relied on cheaper labor cost to manufacture labor-intensive

products. But now, general trade has grown. This shows that China's foreign trade is changing from being labor-intensive to being knowledge-intensive, reflecting the achievements of China's high-tech industries and the economic transformation in recent years.

As the application of big data has made it easier for companies to meet the needs of various consumers, flexible and customized production modes have, therefore, become the transformation direction of many manufacturers.

Even though many companies are still hesitating whether or not to upgrade, the COVID-19 pandemic has inadvertently boosted the digital transformation of businesses, especially those in the manufacturing and services sectors.

Moreover, consumers' demand

for customized products has become stronger. This has been particularly pronounced in the past three years. This may usher in explosive growth in the production of customized products in the coming years, thereby promoting post-COVID-19 economic recovery.

If companies decide to rely on customized production for growth, they would target and meet individual needs. In fact, each customized production will be a major innovation, and only companies with innovative capabilities will be able to better adapt to the needs of consumption upgrade.

Previously, traditional manufacturing pursued scale to reduce costs and gain price advantages. In this context, small and medium-sized enterprises do not have an advantage. However, in the era of customization,

manufacturing orders may come in the form of multiple batches of small orders, and large companies cannot take advantage of scale, which to a certain extent will likely create growth opportunities for SMEs.

Under the demand-led, order-driven production mode, product quality and service will determine companies' performance. Large companies often have strong advantages in process and quality management based on long-term accumulation of operating experience, but SMEs are more flexible in product design and marketing. After all, whoever can grasp the needs of consumers and serve them better will win the competition.

With the advent of the era of brand marketing, foreign trade companies must pay attention to improving overseas consumers' awareness of their brands and increasing brand premiums and profit margins, instead of just being original equipment manufacturers.

BUSINESS



Employees configure a robot that can write Chinese characters at the exhibition stand of ABB during the 4th China International Import Expo in Shanghai in November 2021. PROVIDED TO CHINA DAILY

Further policies to promote greater growth, opening-up

China pushes to cooperate with more MNCs amid global challenges

By ZHONG NAN
zhongnan@chinadaily.com.cn

China's efforts to build an institutional system conducive to high-level opening-up will encourage multinational companies to export more products manufactured by their plants in the country, said market watchers and business executives.

Their remarks emerged in response to a series of growth measures outlined by top policymakers during the tone-setting Central Economic Work Conference, which concluded on Dec 16 in Beijing. The remarks stressed that the country will make greater efforts to attract and utilize foreign capital, widen market access, promote further opening-up of modern service industries and grant foreign-funded enterprises national treatment.

Amid the global economic downturn and geopolitical uncertainties, these policies will further motivate foreign companies to boost investment in China and deem the country as one of their global or regional manufacturing bases for exports, said Nie Pingxiang, a researcher with the Beijing-based Chinese Academy of International Trade and Economic Cooperation.

Similar views were shared by Denis Depoux, global managing director of Munich, Germany-headquartered consultancy Roland Berger. "China's supply chains have improved as domestic and foreign companies invested heavily to modernize their production systems in 2021 when most of the global manufacturing sector was still badly hit by disruptions related to the COVID-19 pandemic."

"The continuous growth in China's exports, even in 2022, demonstrates the resilience and competitiveness of the country's supply and industrial chains," he said.

The value of China's foreign trade grew 8.6 percent on a yearly basis to 38.34 trillion yuan (\$5.57 trillion) during the January-November period last year, while foreign-funded companies in the country saw their export value grow by 2.4 percent year-on-year to 6.87 trillion yuan during the same period, said the General Administration of Customs.

Amcor Plc, a packaging solutions provider headquartered in Zurich, Switzerland, opened a new plant in Huizhou, Guangdong province, in mid-December, with an investment of nearly \$100 million. The factory is the largest flexible packaging plant in terms of production capacity in China, according to Amcor.

"This investment is a testament to our commitment to growing with our customers in China and throughout the Asia-Pacific region," said She Xin, vice-president and general manager of Amcor China.

Comparable opinions were expressed by Lyman Tu, vice-president for China and Southeast Asia at Wilo SE, a German provider of pumps and pump systems, who said the company will add investment in



Visitors gather at the exhibition stand of Wilo SE during the 5th China International Import Expo in Shanghai in November. PROVIDED TO CHINA DAILY

“The continuous growth in China's exports, even in 2022, demonstrates the resilience and competitiveness of the country's supply and industrial chains.”

Denis Depoux, global managing director of Munich-based consultancy Roland Berger

38.34
trillion yuan

China's foreign trade value during the January-November period last year

China and put a new plant into operation in Changzhou, Jiangsu province, in early 2023 after seeing its sales revenue soar by more than 20 percent year-on-year in the country in 2021.

"Together with other manufacturing bases in China, the new factory's products will not only supply the Chinese market, but also be exported to other emerging markets," he said, adding China's broad market prospects, integrated supply chain and improving market environment are the incentives for Wilo to expand its presence. The country will likely become the group's largest market by 2023.

Lu Chengyun, a researcher at the Institute of Transportation Research under the National Development and Reform Commission, said China's logistics industry, bolstered by factors such as a well-developed transportation infrastructure, China-Eu-

rope freight train services and the active participation of global players, has greatly facilitated global companies to carry out export business in China and boosted domestic consumption.

Backed by new opening-up policies, multilateral trade initiatives and high-standard business platforms, such as the Regional Comprehensive Economic Partnership agreement and the annual China International Import Expo, the actual use of foreign direct investment into China expanded 9.9 percent on a yearly basis to 1.16 trillion yuan during January-November period of 2022, data from the Ministry of Commerce showed.

Zhang Yongjun, a researcher at the Beijing-based China Center for International Economic Exchanges, said that China will remain an attractive market, a superior industrial cluster and an increasingly efficient innovation hub for most multinational companies.

"The Chinese market increasingly demonstrates features of its own in consumption patterns, domestic technology and business model evolution, which is different from other markets, calling for business model localization," he said, noting that engagement and business models of multinational companies need to evolve accordingly to better participate in China's future growth.

Echoing that sentiment, Edward Hu, managing director of China for Swiss company International Workplace Group, the world's largest serviced office firm by sales revenue, said the company is optimistic about its growth in China in 2023.

Since more domestic and foreign companies have adopted flexible working spaces as an important part of their corporate real estate strategy in China over the past three years, IWG will accelerate the pace of opening new service facilities in the country in 2023 to meet the high market demand for serviced offices.

Chinese companies embark on an international journey

By ZHENG YIRAN
zhengyiran@chinadaily.com.cn

Chinese enterprises have entered a breakthrough period of expanding their business overseas, yet companies should pay more attention to organizational strategy, management capability, human resources risk prevention and HR-related compliance adaption to better achieve success overseas, said a recent report.

The report, sponsored by global human capital management firm ADP, said that thanks to supportive policies, capital strengths, rising market demand and increasing enterprise competitiveness, Chinese enterprises are accelerating their pace of going global.

China's investments overseas have been growing steadily amid the backdrop of the pandemic. Data from the National Development and Reform Commission showed that in 2021, China's outbound direct investment, or ODI, surged 9.2 percent year-on-year to \$145.2 billion, higher than the level before the pandemic. In 2019, China's ODI totaled \$136.9 billion.

Last year's report from the Academy of China Council for the Promotion of International Trade showed that between 2017 and 2021 China has ranked third in ODI for five consecutive years.

"Despite the impacts brought by the pandemic and the intricate and complex international situation, Chinese enterprises' enthusiasm for expanding business overseas has been rising. In addition, they have demonstrated strong resilience in facing these mounting challenges. The globalization of Chinese enterprises has entered a 'great navigation' era," said Jessica Zhang, senior vice-president of ADP Asia-Pacific.

Speaking of the reason behind the success, Zhang noted that in recent years, China has carried out a series of policies, such as the Belt and Road Initiative, the "dual circulation" vision, and the "go global" policy, which have facilitated companies' globalization process and created a healthy, sustainable international trade environment.

In addition, she noted that Chinese enterprises have been actively investing overseas and the country's ODI structure has been constantly optimizing, covering 18 main categories of the national economy, including agriculture, forestry, energy, manufacturing and services.

"Globalization has become a main breakthrough point of enterprises increasing their global market share, accelerating upgrade and transformation, and consolidating the 'external circulation'. Meanwhile, after years of development, Chinese enterprises have formed a relatively complete globalization system. Their quality, techniques, capital, business models, brand images and operations are maturing," Zhang said.

In terms of the key driving force of going global, according to the 2022 survey sponsored by ADP, over 80 percent of enterprises said that their key driving force was to explore markets, expand business and seek high-speed growth.

Another 73 percent of the interviewed companies said that linking the world, diversifying their operations and upgrading transformation are the core driving forces. More than half of the interviewed companies going overseas do so to absorb overseas resources and experience, and acquire leading technologies and top talent, which support their cutting-edge innovations.

For example, OneConnect Financial Technology Co Ltd, a Shenzhen, Guangdong province-based fintech company, offers technology as a service for financial institutions across 20 countries and regions worldwide, mainly in the Asia-Pacific region. Speaking of the reason why OneConnect goes global, the spokesperson of the company said that the company expects to bring Chinese wisdom to empower the digital transformation of overseas financial institutions, quickly bridge the local financial services gap and raise the penetration rate of inclusive finance.

"Using technologies such as artificial intel-

ligence, blockchain and big data analytics, we bring one-stop digital banking solutions to help overseas financial institutions increase efficiency and risk management capability, and lower costs. Working with local enterprises, we are also building financial ecosystems overseas," said the spokesperson.

For Shanghai-based B2B cross-border financial services provider XTransfer, its key driving force for going global is to offer better financial services to micro, small and medium-sized foreign trade enterprises.

So far, the company has established a global B2B cross-border payment network serving more than 300,000 domestic MSMEs.

When asked about the challenges that Chinese companies have encountered during the globalization process, Zhang from ADP said that enterprises face challenges in talent recruitment, culture shock, compliance supervision, localized operations and global management, and salary and welfare.

"As Chinese enterprises accelerate their globalization process, one of their key focuses is how to attract, acquire and manage the distributed international workforce," Zhang said.

OneConnect said that a major challenge for the company during its globalization process is to establish a strong overseas talent pool.

The key is to build a local talent team, as they own local commercial resources, are more familiar with the local market and are able to offer customers the most suitable products, said the spokesperson of OneConnect.

Zhang also noted that compliance supervision has also become a core challenge for Chinese companies expanding business overseas. "Sufficient understanding of local laws and regulations helps enterprises better operate their businesses overseas," Zhang said.

Bill Deng, founder and CEO of XTransfer, said that the key is to comply with the different compliance requirements of overseas countries and regions.

"Each country and region has different compliance requirements and they have varied protection degrees on data privacy. Based on local requirements, overseas business should be equipped with an appropriate risk management system," he said.

"It is worth mentioning that although there are differences in compliance requirements in each country and region, the current anti-money laundering risk management and supervision frameworks around the world have a high degree of commonality. With our experience and expertise in B2B cross-border trade, we are able to establish a one-stop anti-money laundering strategy and system that conforms to the requirements of different countries and regions," Deng added.

Zhang said: "From our experience of serving more than 1 million clients in 140 markets, we found that companies achieve operational transformation when they expand from a single market to multiple markets. Before succeeding in multiple markets, however, companies need to make many changes, in terms of organizational strategy, management capability, HR risk prevention and HR-related compliance adoption."

"These are the aspects Chinese companies should pay attention to," she added.

John Williams, China managing director at International SOS, one of the world's leading names in health and security risk management, said: "During their globalization process, Chinese enterprises should keep in mind the laws and regulations of different countries and regions. They may also turn to experts for advice."

He added, "In terms of geopolitical issues, it is suggested that Chinese enterprises establish a strong, sustainable risk management and corresponding mechanism to cope with crises in different countries and regions."

Zhang Yingyan, senior manager of travel risk at International SOS, added that Chinese enterprises going global should establish an information collection network so that employers and employees overseas can get access to information related to safety, health and company decisions in a timely manner.



Employees of International SOS respond to emergency calls at the company's Beijing Assistance Center in December. Ever since the COVID-19 pandemic broke out, emergency calls from Chinese companies with overseas business have been surging. PROVIDED TO CHINA DAILY

BUSINESSINSIGHT

EAGLE EYE

By Ralph Hamers

How China is renewing its economic appeal

After consecutive years of increasing foreign investment in China's equity and bond markets, the domestic market experienced a net outflow of capital from overseas investors in 2022, on the back of the country's property market challenges and the ramifications of its ongoing dedication to preventing the spread of COVID-19.

While this has been a challenging period for China, I believe that the country's prospects will end up stronger over the medium term as a result of having been so thoroughly tested by the pandemic — which caused many businesses to rethink their models and supply chains — as well as subsequent market disruptions, like those we have seen in the property sector. International investors will also play a role in the next stage of the country's economic development.

Over the years, China has made a lot of changes at a rapid pace, while also developing its economy. For the remainder of this decade, there is huge potential to speed the pace of reform and expand the economy through increased digitalization across a wide range of industries, including healthcare, manufacturing, finance and technology.

Healthy growth possible

Last year proved a challenging one for China. Its 2022 economic growth is likely to be 3 percent or less, a marked drop from the 8.1 percent recorded in 2021.

However, the country is emerging from the shadow of the pandemic and is tackling its property market challenges head on, which should lead to an improved GDP growth of 4.9 percent in 2023 — not the big bounce markets want, but healthy growth all the same.

For over a year, China's government restricted borrowing levels of leading property developers, which limited new home building and led to a 30 percent drop in sales. However, on Nov 11, Beijing revealed a multi-step plan to support the industry, including measures to alleviate the worst of the impact that resulted from stricter borrowing limitations. This should stabilize the real estate sector in 2023 and reduce its drag effect on the economy.

Even more encouraging, the government began on Nov 10 to ease its zero-COVID-19 policies, and it has incrementally done so in the weeks since. As we start 2023, the zero-COVID-19 policy has ended and the

re-opening of China to the world has begun in earnest. This will revive domestic household spending, kickstart the local economy and in time bring benefits to the global economy.

The Chinese government continues to focus its efforts on common prosperity. During the 20th National Congress of the Communist Party of China in October, the government underscored its core

development strategy, which involves raising the living standards and wealth of as many people as possible. It intends to do this by improving public services, the social safety net, tax policies and employment standards.

Big boost for many sectors

Taken together, both the loosening of COVID-19 restrictions and a greater focus on common prosper-

ity will offer opportunities for a variety of business sectors — healthcare, manufacturing, technology and finance, just to name a few. Common prosperity should help spread wealth among the Chinese population. As a result, it's likely to lead to greater demand for internet services, higher spending on foods and beverages as well as travel and tourism, and increased asset flows into insurance and asset management. It

could even result in a pickup of sports activities.

The end result should be improvement in companies' bottom lines and better returns for investors who hold their shares. Share prices of many consumer and tech companies already improved at the end of 2022, and there could be further upside this year.

In addition, China will boost its supply chain security and innova-

tion while improving its manufacturing sector through more automation and digitalization.

The country is also focusing on green technologies as it seeks to greatly reduce carbon emissions and find cleaner solutions to energy and transport needs. It already boasts the world's largest electric vehicle industry and is quickly expanding into large renewable energy solutions, such as wind turbines and solar panels. Many manufacturers are based in China's smaller cities, and they should provide new engines for economic growth as they continue to expand.

Plus, there are exciting opportunities in new energy areas, such as green hydrogen, or the manufacturing of hydrogen as a fuel via renewable energy. China is one of the few nations that has both the size and economies of scale to develop green hydrogen effectively.

Financing opportunities

These ongoing developments underline the investment and financing opportunities likely to emerge as the nation's economic outlook brightens. Indeed, our equity strategy team at UBS believes the optimization of contagion controls will increase consumption and renew earnings growth, which, in turn, will support future share valuations across many sectors.

China's fundamental financial strength should not be underestimated. After all, even during a trying 2022, it had been the most active country in the world for IPOs. The Shanghai Stock Exchange saw 154 A-share IPOs that raised a combined \$51.64 billion in 2022, while the Shenzhen Stock Exchange had 187 new listings worth \$30.43 billion. They were the first and second most prolific exchanges globally for IPOs last year.

China is coming out of a challenging period, but its authorities have a plan to increase the wealth of its citizens, accelerate technological development and take action against climate change. The country also boasts the world's second-largest capital market, has many quality companies seeking capital and has no shortage of local investors willing to supply it. So, all is set for economic momentum to accelerate in 2023.

At UBS, we have long held the position that, when it comes to China, the long game is the best game. We're there and will continue to be there for our clients in China as well as for those who want to invest in China. And international investors shouldn't miss out on the many opportunities it offers.

The writer is CEO of UBS Group. The views don't necessarily reflect those of China Daily.



CAI MENG / CHINA DAILY

Top priority in 2023: Recovery and expansion of consumption

MAIN STREET

By Li Xunlei

The Central Economic Work Conference in mid-December was a key tone-setting meeting for this year's main economic tasks. It has put consumption in the spotlight by saying that the country will focus on boosting domestic demand this year by prioritizing the recovery and expansion of consumption, indicating an urgent need for proactive moves targeting the sector. For a brief view of why and how, we first need to know what the country is facing in the sector.

Downside drivers

Based on the recent figures released by the National Bureau of Statistics, consumption performance in 2022 was relatively weak. Total retail sales of consumer goods in November stood at 3.86 trillion yuan (\$561.2 billion), down 5.9 percent year-on-year. Among them, retail sales of consumer goods other than automobiles were 3.48 trillion yuan, down 6.1 percent. Total retail sales of consumer goods from January to November edged down 0.1 percent to 40 trillion yuan, among which retail sales of consumer goods other than automobiles stood at 35.85 trillion yuan, a dip of 0.2 percent. The decline is even bigger with inflation factors excluded.

There are several reasons leading to the short-term consumption weakness. First, external factors

including the Russia-Ukraine conflict, the COVID-19 pandemic and high global inflation have led to weak external demand, and added to weakening domestic property performance, these factors all weighed on last year's economic momentum. As a result, there were also declines in the growth rate of household incomes.

On the other hand, due to weakening market expectations, household deposits rose significantly. Household deposits increased by 2.25 trillion yuan in November alone, while consumption decreased accordingly. The sharp increase in household deposits indicates that concerns over spending are rising, which has a negative impact on short-term consumption.

The long-term factors are also not encouraging. Theoretically, growth of consumption mainly depends on three major factors over the long run. They are growth of household income, proportion of consumption in disposable household income and the proportion of incomes of low- and middle-income earners in the nation's total.

In the context of the overall downward pressure on economic growth, it will be a tough task to see a significant leveling-up in household income this year. For example, the GDP growth rate in the first three quarters last year was 3 percent, while per capita disposable household income rose 3.2 percent. According to forecasts that have been made for this year's economic growth rate in China, there certainly will be an increase, but it won't be sharp and it may be difficult to witness big surges in the consumption growth rate.

Compared to other major econo-

The country will focus on boosting domestic demand this year by prioritizing the recovery and expansion of consumption.

mies, China features a high savings rate and low consumption rate in its household spending sector — not only much lower than that of developed economies, but also lower than that of some developing economies. Apart from habitual factors in savings commonly seen in Chinese consumers, such a phenomenon also reflects residents' increasing concern over lifestyle institutions such as education, medical care and pensions.

According to our analysis of the GDP of major economies in recent years, the contribution of final consumption to GDP in the United States exceeds 80 percent, more than 75 percent in France, and above 70 percent in Germany, Japan, Vietnam and India. For China, the figure is around 55 percent — a relatively low figure for a country possessing such a big market.

The incomes of low- and middle-income earners account for a relatively low proportion of total household incomes. The low- and middle-income group is supposed to be the main force of consumption. That is, their marginal propensity to consume is higher than that of the high-income group. According to the NBS, the gap between China's high-income group and low-income group has widened over the past two years due to the impact of the COVID-19 pandemic, which is obviously not conducive to the growth of consumption. Therefore, it is particularly urgent to further narrow the

gap and increase the proportion of the incomes of low- and middle-income groups.

Under such circumstances, it is indeed critical for China to "prioritize the recovery and expansion of consumption" in 2023, and give full play to the role of consumption in stabilizing growth. Though the nation adopted a proactive fiscal policy and a prudent monetary policy in response to macroeconomic pressure last year, looking forward to this year, real estate and exports, both of which play key roles in boosting the nation's economy, are still finding ways to revitalize themselves. Infrastructure investment can be used as a countercyclical policy tool to maintain a rapid growth rate, though it cannot completely hedge against the downturn in property and manufacturing investment over the long run.

Three key tasks in three major areas

Boosting consumption relies much on improving the overall income levels of consumers, especially among low- and middle-income earners. In our view, there are three tasks that can improve consumption performance in three major areas — government units, enterprises, and residents in general.

First, the country should take steps to rationalize support of State finance to the household spending sector and steadily increase the pro-

portion of disposable income among consumers to GDP. We drew a summary of the NBS data in recent years and learned that the proportion of China's household income to GDP has been around 45 percent for many years, while the global average is about 60 percent. This, as we see, is the main reason for the relatively low contribution of China's consumption to GDP. A recently unveiled government plan on expanding domestic demand also proved our conclusion and said China will increase the proportion of labor remuneration in primary distribution.

Similar to the government's transfer of income to enterprises through tax and fee reductions, government departments can also consider transferring income to the household income sector. Income transfer can be carried out in the following ways: transfer payments are targeted to low-income groups, such as increasing income subsidies for low-income groups to ensure they do not revert back into poverty, improve the efficacy of social security, such as using fiscal funds to increase pension support, promoting the reform of education and medical systems to reduce financial burdens and issue more consumption vouchers.

Second, the government should also consider efforts in multiple sectors to increase residents' income from property, so as to help them have the confidence to purchase goods and services. To this end, it is necessary to adopt a multi-pronged approach to stabilize housing prices, land prices and market expectations. On the other hand, providing new channels for consumers to increase property income

is critical to stabilizing overall economic growth.

Such a move requires policies to support the development of the capital market, maintain the bottom line of no systemic risk under the current low valuation level of equity assets and actively encourage long-term funds of institutional investors to enter the market — as well as increase the proportion of foreign capital entering the market under the high-level opening-up policy.

The country should also take active steps to push for tertiary distribution and gradually improve the income structure of the household consumption sector by increasing the proportion of the incomes of low- and middle-income groups. According to the NBS, the per capita level of the top 20 percent of earners in China is almost 10 times that of the bottom 20 percent of earners, reflecting the urgent need to develop more sustainable forms of social charity. Compared with the global average, the current proportion of social donations to GDP in China is very small. According to official data, in 2021, China's social donations accounted for 0.2 percent of GDP, while that in the US reached 2.3 percent. By promoting the expansion of the scale of the tertiary distribution, the income levels of low- and middle-income groups can be raised, thereby promoting consumption.

The writer is the chief economist at Zhongtai Securities. This article is based on an op-ed by the writer for the China Chief Economist Forum, a think tank. The views don't necessarily reflect those of China Daily.

COMMENT

Editorials

With the exception of the China-bashers, country's travel protocol welcomed by world

China lifted its quarantine requirements for inbound travelers on Sunday. And the sharp increase in the inflow of visitors following the move speaks volumes of China's attraction to the world.

Now the world's second-largest economy is in a better position to help boost the global economic recovery as an anchor of global supply chains and as a main driving force for the global market.

The optimization of the country's policy for inbound travelers, based on science and the actual epidemic situations, is an integrated part of the country's overall optimization of its COVID-19 infection prevention and control policies that was implemented last month.

The country released the 10th edition of its diagnosis and treatment protocol for COVID-19 on Saturday detailing the change in approach.

In light of how the epidemic situation has evolved, with the current variants of the virus being more transmissible but less virulent than earlier ones, and with few cases presenting as pneumonia, the disease has been downgraded from novel coronavirus pneumonia to novel coronavirus infection, and it is being managed accordingly starting Sunday.

The previous edition of the protocol was released in March last year. With most cases now able to be treated at home with over-the-counter medicines, the latest edition calls for a treat-it-as-it-is shift of focus for the governments and public health systems, as well as neighborhoods and individual residents, with the emphasis on the use of public health facilities to treat more severe cases.

The progressive and orderly change of approach indicates China's adjustment of its COVID policies is being carried out in a planned and orderly way in light of how the epidemic situation has evolved.

But while many countries, as well as enterprises, industry associations and trade sectors have welcomed China's new protocol, as it will give a huge boost to the global recovery, bring the world fresh market opportunities and facilitate world trade and human exchanges, the China-bashers are once again calling black white. Smearing China's adjustment of its pandemic policies as proof that its response has been a "failure", they are crying wolf that China's reopening will spread new variants of the virus to the world.

But that scare story is proving hard to sell. The surging crowds queuing to enter the Chinese mainland through ports in Shenzhen from the Hong Kong side on Sunday and vice versa, the marked increase of visa applications for overseas travel and inbound visits, the busy airports and high-speed railway stations, and the increasingly bustling commercial zones in major cities across the country all refute the China-bashers' claims, and declare to the world that one of the most dynamic economies and largest markets in the world is not only back, but it has emerged stronger from the test of the past three years.

The pandemic is not yet over. But China's response to it has entered a new stage that provides it with broader space to pursue high-quality development. Contrary to the China-bashers' claims that is good news for the world.

Bee in Tokyo's bonnet honey talks to Washington

The Japanese economy minister's trip to Washington, in advance of Japanese Prime Minister Fumio Kishida's visit to the United States, was an explicit sign that countering China is now front and center in Japan's foreign policy.

In his meeting with US Secretary of Commerce Gina Raimondo, Japanese Minister of Economy, Trade and Industry Yasutoshi Nishimura discussed "the importance of working together to promote and protect critical and emerging technologies, including through R&D and export controls", according to a US Commerce Department readout.

With US Trade Representative Katherine Tai, the Japanese economy chief signed a memorandum of cooperation for a task force on the promotion of human rights and international labor standards in supply chains.

While all the official documents made public steered clear of naming names, the visiting Japanese minister made no secret of his government's obsession with China in a speech he gave at the Center for Strategic and International Studies between his meetings with Raimondo and Tai.

Echoing the recent clamor about the failure of the Western policy of engaging China, the Japanese official called it a vital mistake for Western countries to let China and Russia join the World Trade Organization more than two decades ago, on the assumption that deepening economic interdependence would "unquestionably bring about a peaceful world" after the Cold War by drawing them into the Western fold.

Calling alleged China's "economic coercion" a "clear and present danger" for economies all over the world, the Japanese minister courted his hosts by urging like-

minded countries to join forces and push back. "We must rebuild a world order based on the fundamental values of freedom, democracy, human rights and the rule of law", he urged. That sort of rhetoric has become all the rage in Washington, and butting up his hosts with such words shows how eager Tokyo is to take advantage of Washington's current presidency.

With Tokyo holding the rotating presidency of the G7 industrial democracies this year, his government is keen on focusing the will of the Western alliance. "We expect effective responses to economic coercion will be a major item at this year's G7 summit," said Nishimura.

Export controls, supply chain resilience and energy security are the most important areas for collective responses by Western democracies, according to the Japanese minister. But as indicated in the agreements he reached with Raimondo and Tai, as well as in his CSIS remarks, export controls may carry outstanding weight on Tokyo's agenda.

Nishimura flagged the agenda when he suggested that US-Japan cooperation should extend beyond semiconductors to encompass biotechnology, artificial intelligence and quantum science. That would offer Japan a leg up in the competition to be at the forefront of these technologies that are the technological high ground.

China and Japan have been on friendly terms for decades, and bilateral trade is of critical significance to both economies. But with Japan having made up its mind on an unprecedented post-war military build-up, and increasingly directly targeting China in the present geopolitical brawl, it is clear there is an inevitable period of turbulence looming for bilateral ties.

Putting Nobel Peace Prize to shame, again

The nomination of Jens Stoltenberg, secretary general of the North Atlantic Treaty Organization, as candidate for the Nobel Peace Prize is apparently not a joke. But it is ironic that the warmongering head of the world's largest military alliance is being hailed as an advocate for world peace.

"NATO Secretary General Jens Stoltenberg should be considered for the Nobel Peace Prize, due to his conduct during the conflict in Ukraine." That is what Christian Tybring-Gjedde, a Norwegian lawmaker, said. He also said that Stoltenberg "deserves the prize for his outstanding work as NATO's secretary-general in a demanding time for the alliance."

Is the Nobel Peace Prize just for NATO personnel or people from Western countries? This once-renowned prize, at least the one for peace, has simply become a tool in the geopolitical games of the West. The nomination of the NATO chief for the prize will only do further damage to the reputation of this award.

NATO was a product of the Cold War, and it has been a military alliance. It should have been disbanded after the disintegration of the Soviet Union in 1991, which marked the end of the Cold War. Given the nature of this alliance and its rapacious desire for expansion, it is an affront to the Nobel Peace Prize to nominate its hawkish chief as a worthy recipient.

Look at what NATO has done since the end of the

Cold War. It has been involved in most of the military conflicts since then. It was deeply involved in the invasion of Afghanistan in 2001. It launched the Kosovo War in 1999, in which the United States even bombed the Chinese embassy there.

The military conflict between Russia and Ukraine would not have taken place without NATO's relentless eastward expansion, which Russia believes poses a threat to its national security. Instead of doing whatever it can to mediate between Russia and Ukraine, NATO has added fuel to the fire by supplying Ukraine with weapons.

NATO is also trying to advance into the Asia-Pacific region. And not just once its leader has described China as a challenge and falsely portrayed the country as a threat. It is quite likely that NATO will do more to follow Washington in its strategy to contain the rise of China. There is no denying that NATO is one of the major sources of global instability rather than a force for world peace.

Nominating the NATO head as a candidate for the Nobel Peace Prize speaks volumes about how some politicians are so ideologically entrenched that they turn a blind eye to the reality of what is happening in the world. It also raises the question: Since it has become a politicized tool of the West is there any reason for the Nobel Peace Prize to exist any longer?

Song Cheng



Opinion Line

House speaker fiasco exposes the rot in US political system

In his first speech after being elected speaker of the House of Representatives on Saturday, Kevin McCarthy, as predicted, swiftly laid his China card on the table.

Paralleling the rise of the Communist Party of China with debt as the two pressing challenges the United States faces, he urged Congress to speak with one voice on China, and called for a "bipartisan select committee on China" to be set up to investigate how to bring back the hundreds of thousands of jobs that he alleged went to China.

Although his remarks were politically correct for Washington, they only won the new House speaker sparse applause, as his words exposed McCarthy's narrow vision and inability to address the true challenges confronting the US — not just the divide between the Republic and Democratic parties, but also the internal splits in the two parties, that aggravate the frac-

tures in the country.

Instead of proving he is better than Nancy Pelosi for the post, McCarthy clearly showed he intends to copy the old tricks of his predecessor by trying to dupe the US people into believing that the problems of the US can be resolved by getting tough on China. Something that has already proved futile as China is not the cause of the US' self-inflicted woes.

As a matter of fact, McCarthy and Pelosi, in the post, are both part of the problems they have supposedly been elected to resolve as they are in the first place speaker of interests for the Republic Party and the Democratic Party respectively, if not certain fractions of the parties they represent.

The divorce between political parties and the US people, and McCarthy and Pelosi's close connections with their respective fractions in the parties mean neither of them can speak for the general public with-

out first weighing the gains and losses of their own vested interests.

That it took a total of 15 rounds of voting, the most ever, to elect McCarthy for the post, despite the fact he was regarded as the most likely candidate for the position from the very beginning, is evidence of the deep fissures in the Republican Party. The three days in which the 15 rounds of voting were carried out were actually a process of seeking compromises within the Republic Party by forming a new set of rules for the trade-off of support for interests.

It is the collusion between these politicians and business tycoons — the former act as speakers for the latter, and the latter function as "white gloves" for the former in a revolving-door model — that poses the real challenges to the US as it is the rot that is undermining the foundations of the country.

— LI YANG, CHINA DAILY

Foreign firms show confidence in Chinese market

Foreign investment in China has increased since the country lifted its strict virus control measures. That shows the confidence foreign investors have in the Chinese market.

Their confidence stems from the prospects for the Chinese economy, which is expected to recover robustly this year. At present, the resumption of socioeconomic activities is proceeding in an orderly manner. Consumption, investment, and import and export are all expected to pick up in the first quarter.

Despite the growing risk of a global economic recession and other adverse factors, the world's second-largest economy has withstood all the pressure and continues to display its resilience.

The COVID-19 pandemic has not

altered the advantage China has of its large-scale market. The most populous country on Earth has an expanding middle-income group that already comprises over 400 million people. It imports about \$2.5 trillion of goods and services every year.

Moreover, it has the world's most comprehensive manufacturing industry with a complete industrial system. Since 2010, the value added of China's manufacturing industry has ranked first in the world for many years. In the first 10 months of last year, China's import volume reached 14.9 trillion yuan (\$2.18 trillion), up 5.2 percent year-on-year.

China is now a major trading partner of more than 140 countries and regions, the world's largest

trade hub in terms of trade in goods, and one of the world's largest destinations for foreign investment and one of the world's major sources of outbound investment.

China will continue to unwaveringly pursue high-level opening-up, steadily expand its institutional openness based on rules, regulations, management and standards. It will also shorten the negative list for foreign investment access, better protect the rights and interests of foreign investors in accordance with the law, and foster a market-oriented, law-based and world-class business environment.

It is therefore widely predicted that the pace of foreign investment coming to the Chinese market will continue to accelerate.

— ECONOMIC DAILY

What They Say

Backlash against the new Monroe Doctrine

Mexican President Andres Manuel Lopez Obrador said on Jan 3 that he would call on the US government to put an end to the 200 years of the Monroe Doctrine and its interventionist policies at the upcoming North American Leaders' Summit to be held in Mexico City on Tuesday.

Lopez Obrador said that the Mexican government hopes to promote the unity and economic integration of all countries on the American continent, promote the common development of countries in the region, and solve the problems of development inequality and immigration.

He said that the region should not be dominated by any one country and should respect the autonomy and self-determination of all peoples.

This year marks the 200th anniversary of the Monroe Doctrine. In 1823, then US president James Monroe issued the Monroe Declaration, declaring that America is

America for Americans. This was the beginning of the Monroe Doctrine.

The Monroe Doctrine was, in large part, the product of a struggle between the rising United States and the European powers of the time for control of the American continent.

This gave Monroe the excuse to fully intervene in the Americas. The Monroe Doctrine proposed that Europe should no longer intervene in the Americas. In exchange, the US would remain neutral on disputes between European powers and their colonies.

Since the Monroe Doctrine was proposed, it has become the cornerstone of the US' strategic thinking. Although it has been packaged several times, especially some contents to safeguard the sovereignty of former colonies and backward countries, its nature as a strategic tool of the US has not changed.

During the Cold War period, the

Monroe Doctrine was the main basis for the US to prevent the Soviet Union from entering the Americas. After the end of the Cold War, the Monroe Doctrine continued to influence the decision-making of the US.

For 200 years, the US, using the Monroe Doctrine as the rationale, has viewed the Americas as its backyard and a private sphere of operation. In recent years, under the "America First" thought, the Monroe Doctrine has evolved into the new Monroe Doctrine.

The US' plans for "regime change" in Venezuela during the Donald Trump administration were no longer even in the guise of the doctrine, being simply a barefaced intervention.

It is not clear how US President Joe Biden will respond to Lopez Obrador's call. But it's safe to assume that the Mexican president won't be the only Latin American leader to make such a demand.

— BEIJING NEWS

CHINA DAILY WORLDWIDE

Contact us at

China Daily
15 Huixindongle Chaoyang District,
Beijing 100029
News: +86 (0) 10 6491-8366
editor@chinadaily.com.cn
Advertisement: +86 (0) 10 6491-8631
ads@chinadaily.com.cn
Subscription: +86 400-699-0203
subscription.chinadaily.com.cn
App: www.chinadaily.com.cn/mobile/daily.html

China Daily UK
90 Cannon St, London EC4N 6HA, UK
+44 (0) 207 398 8270
editor@chinadailyuk.com

China Daily Asia Pacific
China Daily Hong Kong
Unit 1818, Hing Wa Centre, 7 Tin Wan
Praya Road, Aberdeen, Hong Kong
+852 2518 5111
editor@chinadailyhk.com
editor@chinadailyasia.com

China Daily USA
1500 Broadway, Suite 2800,
New York, NY 10036
+1 212 537 8888
editor@chinadailyusa.com

China Daily Africa
P.O. Box 27281-00100, Nairobi, Kenya
+254 (0) 20 242 8589 (Nairobi)
editor@chinadailyafrica.com
enquiries@chinadailyafrica.com
subscription@chinadailyafrica.com

COMMENT



China and the World Roundtable | China's Private Enterprises

Editor's note: Despite headwinds from the COVID-19 pandemic and global economic uncertainties, the healthy development of the private sector in China has continuously enhanced the resilience and vitality of its economy, becoming an important force for China's economic growth. Three experts share their views on the issue with China Daily.

Li Yiping

Private sector needs the public's help

The COVID-19 pandemic has had a huge impact on a vast number of private enterprises, especially small and medium-sized enterprises. Yet the private enterprises can use the chance of the lifting of the strict anti-COVID measures to promote innovation and expand their businesses in order to overcome the impact of the pandemic. And the authorities, on their part, should create a favorable environment for private enterprises to thrive.

First, one of the impacts of the pandemic was the rapid decline in demand and a change in the demand structure. The pandemic also disrupted global supply chains, affecting Chinese private companies in particular.

Second, the blind pursuit of economic development resulted in overcapacity in low-end products, causing some structural problems.

And third, because of their smooth sailing since the launch of reform and opening-up, many private enterprises didn't develop enough crisis awareness and hence didn't know how to deal with emergencies like the COVID-19 pandemic.

Such impacts, however, are temporary, and China's private sector still has a promising future. Also, despite the strict prevention and control measures, enterprises across the country had resumed produc-



The author is a member of the academic committee at the Research Center for Socialist Political Economics with Chinese Characteristics, Renmin University of China.

tion by the middle or toward the end of 2020. That's why while countries around the world were struggling to contain the spread of the novel coronavirus, China had resumed economic activities.

Besides, private SMEs are in a relatively good position to intensify business activities as the economy recovers, simply because China's socialist market economy allows the market to play a decisive role in the allocation of resources with the government taking effective measures, including implementing favorable policies, to boost growth.

Given the present economic climate, private entrepreneurs should have confidence in the socialist market economy and respond to the challenges. The socialist market economy allocates resources — which are limited — more reasonably and efficiently, and defuse the bubbles in different sectors during an economic downturn. In particular, it can

direct the resources to more efficient industries, and thus ensure the safeguards are weeded out of the market in the overall interest of society.

Fair competition inspires people to use creative, and yet honest, means to succeed in the market. So entrepreneurs should use tough competition as an opportunity and rise to the challenge. Big, successful enterprises were not built in a day. They all went through struggles, and ups and downs, before achieving success. So entrepreneurs can't hope to enjoy the benefits of the market without facing competition.

Socialism with Chinese characteristics has entered a new era, so has China's economy. China has replaced the quantitative growth model with a high-quality development model. This change, along with the impact of the pandemic, will lead to restructuring of industries and supply chains. Private companies should use this as an opportunity for industrial upgrading.

Moreover, an economic downturn could also turn a "crisis" into an "opportunity" to promote innovation, which incidentally can help China achieve sustainable development. As for enterprises, especially

SMEs, they should use the government's policies to boost their businesses.

To ensure that the private sector thrives, the government should fully implement favorable policies, ease the burden on private businesses and make financing more easily available to the SMEs. The government should also remove the obstacles preventing the resumption of work and production, because something obstructing even just one link of the supply or industry chains will affect their overall efficiency.

It is also significant to boost domestic demand, which in turn will boost economic growth as well as make up for the shortcomings in the industry chains. Demand is shrinking in China because of the rise in unemployment and decline in incomes. To address the problem and increase consumption, the authorities should take measures to spur investment and issue consumption coupons.

Also, to help private enterprises to thrive, it is necessary to create a good environment, an environment in which production and transaction costs are relatively low, public services are good, social resources are accessible, private property rights are protected, infrastructure is developed, and innovation is appreciated and promoted. After all, a good business environment can produce thousands of entrepreneurs, and thousands of entrepreneurs can help improve the business environment.

The views don't necessarily represent those of China Daily.

Dan Steinbock

Chinese economy eyes reform, opening-up and turnaround in 2023

After a year of domestic economic volatility and international turmoil, China is expected to focus on economic growth this year, which means the country will further deepen reform and expand opening-up. In fact, judging by the Central Economic Work Conference held in Beijing last month and the speeches of the Chinese leaders, the top policymakers will indeed focus on economic growth, with the aim to restore the pre-pandemic high growth environment.

The Economist magazine has called it "this year's biggest economic event". But as always, the devil is in the details: How do policy authorities plan to stimulate private sector growth?

In 2023, China will tackle growth challenges with its "dual circulation" development paradigm. While external circulation (or foreign trade) will deepen regional and international trade and investment ties, internal circulation (or the domestic economy) will seek to accelerate domestic demand.

Now that most of the COVID-19 restrictions have been lifted, the government will implement a variety of measures to boost consumption. The idea is to increase the incomes of urban and rural residents so they can help boost the housing sector, raise new energy vehicles' sales, and improve eldercare.

But the momentum is on the supply side, particularly infrastructure investment. Government incentives seek to increase financing, especially by encouraging more private capital to participate in large national projects on energy, water, transportation and data centers, among others.

As such, fiscal support will be targeted and focused, whereas monetary policy is likely to remain cautious and neutral until the end of the US Federal Reserve's tightening. In turn, sectoral success is predicated on three critical areas: COVID-19, the technology sector and the property market.

With the lifting of the COVID-19 restrictions, stringent top-down restrictions are effectively giving way to bottom-up responses. The faster China can avoid the kind of short-term reactions and disruptions, which are typical of the transition, the speedier will be the return to the growth momentum.

In 2023, China could outpace many other emerging economies, with its secular long-term trend growth around 4 to 5 percent through the 2020s.

In the technology sector, the efforts of the policymakers to foster more competition began with a fast and broad momentum last year. Such initiatives will cultivate Chinese "little giants" and particularly small and medium-sized enterprises. In Germany, Mittelstand SMEs have proved resilient during periods of rapid economic change. After all, SMEs are less capital-intensive than big business but provide broader job opportunities in the long run.

But as John Maynard Keynes once put it, "in the long run, we will all be dead". It is vital to pace new technology-regulation regimes so that they will foster steady growth rather than cause disruptions or create bottlenecks. After all, Chinese world-class technology giants from Huawei to ByteDance also have to cope with Washington's suppressive strategies that exploit geopolitics to foster the United States' ailing competitiveness.

After half a decade of volatility, even turmoil, the Chinese property market could be heading toward a turnaround. In real estate, the new support measures, particularly the government's 16-point recovery plan, will contribute to stabilization. In 2022, property sales might have fallen by 25 percent or so. But in 2023, it might be only by 5-10 percent.

While highly leveraged private developers continue to struggle, higher-quality developers will gain in strength over time. As S&P Global Ratings recently concluded, the rising dominance of State-owned developers means the Chinese market will be more stable with more focus on completing unfinished housing units.

In the past decade, the US steadily escalated "great power competition" with China. Having little to do with economic efficiency, it promotes destabilization aimed at weakening China, even at the expense of US welfare and big business. Purposely defined ambiguously, the "enhanced" US restrictions on the sale of advanced semiconductors to China are a prime example. They will hit the hardest the biggest global technology giants in the US, and in the Republic of Korea and the Chinese island of Taiwan.

In contrast, China continues to shun trade protectionism and expansive geopolitics. The quest for global economic cooperation and development is central to China's external circulation. It will deepen trade and investment ties, especially with the member states of the Regional Comprehensive Economic Partnership, which could be a game changer as the RCEP bloc accounts for almost one-third of China's total trade value.

Despite trade protectionism in the West, the Belt and Road Initiative will promote steady progress on the back of recovery in Southeast Asia. China's trade with the Association of Southeast Asian Nations is growing two-three times faster relative to that with the European Union and the US. China's goal is also to expand bilateral trade with the ROK and Japan in spite of political and strategic differences.

The Belt and Road projects are also intensifying from South Asia and Eurasia to the Middle East and Africa. And in Latin America, the third presidency of Luiz Inácio Lula da Silva in Brazil and the rise of other progressive leaders hold a promise for more multipolar world trade.

Finally, as consumption in China is about to increase, the use of the renminbi as a settlement currency will gradually increase with and within these trade blocs.

The risk of recession has cast a dark shadow over the US economy. The eurozone is facing a deep recession, Japan's economy is shrinking, and the United Kingdom is struggling with the worst fall in living standards since records began. Consequently, the penchant of their policymakers to increase military expenditure, when their economies can least afford it, is self-destructive.

Ironically, as the overstretched West moves toward closed society and protectionism, China will stay the course of economic reform and opening-up, and high-quality development. So will most of the other large emerging and developing economies. Development is not viable without peace and stability.

The views don't necessarily reflect those of China Daily.



MA XUEJING / CHINA DAILY

Mao Jie

Tax- and fee-cut policy sustainable

The Chinese government has been cutting taxes and fees since 2018 to reduce the burden of enterprises so they can expand their businesses and thus help boost the economy. And in 2021, the Central Economic Work Conference encouraged more value-added tax (VAT) credit refunds to maintain microeconomic stability.

Comprising tax cuts and VAT credit refunds, the favorable package has become an important part of China's microeconomic and fiscal policy, which is aimed at deepening supply-side structural reform, promoting high-quality development, easing the burden on enterprises and energizing the market players.

According to the State Taxation Administration, as of Nov 11, 2022, the new tax and fee reductions, VAT credit refunds, and tax and fee deferrals had exceeded 3.7 trillion yuan (\$537.63 billion). Among them, taxpayers enjoyed 789.6 billion yuan in tax cuts, over 2.3 trillion yuan in VAT credit refunds — 3.5 times that of last year — and 679.7 billion yuan in tax and fee deferrals.

These favorable policies have increased the flow of money for small and medium-sized enterprises, thus easing the pressure on them and offering them an opportunity to boost their competitiveness and promote innovation.

But the tax and fee cuts also have increased the government's fiscal burden. Worse, governments at all



The author is associate director of the School of International Trade and Economics, University of International Business and Economics.

levels are under immense financial pressure because of the COVID-19 pandemic. After all, in the almost three years since the pandemic broke out, the revenues of the central, as well as all provincial, city and local governments have increased on average by only 1.27 percent. In contrast, the growth rate of tax and fee cuts was as high as 62.95 percent during the same period. No wonder it is becoming increasingly difficult for fiscal revenue to support the tax and fee cut policy.

But the above difficulties are temporary, caused mainly by the pandemic. With the easing of the anti-pandemic policy, China's economy will be firmly on the recovery track and thus be able to sustain the tax and fee reduction policy.

Take for example the VAT credit refunds, which account for the biggest percentage of the total sum. By refunding taxes on goods that haven't been sold, VAT credit refunds can ease the constraints created by the slow trickle of cash on the company, shorten the idle time of money, and improve the efficiency

of capital.

Besides, as the economy recovers, enterprises with unsold goods will soon clear their inventories and make some profits and therefore can help to gradually return the early tax to the government. Thus, VAT credit refunds will provide timely support to the companies hit hard by the pandemic and yet they will not shrink the space for fiscal revenue.

Based on my research, from April to September last year, 55 percent of enterprises have repaid part of the early tax refunds and 26 percent have repaid the full amount. The manufacturing, wholesale and retail sectors have done better than the transportation and hospitality industries in terms of repaying the tax refunds. Still, the repayments are well below expectations. For example, by the end of September, companies had repaid only about 200 billion yuan, merely 10 percent of the previous tax refunds, to the tax authorities.

The good news is that it is relatively easy for micro, small and medium-sized enterprises (MSMEs) to repay the tax refunds much faster. Despite being a mainstay of tax reimbursements, MSMEs have gradually emerged out of trouble and spurred the market. In turn they can contribute to the fiscal revenue by paying due taxes in the future.

Therefore, China needs to further improve the tax and fee reduction program, and implement proactive

fiscal policy to energize enterprises, particularly MSMEs.

First, it is important to use algorithms to help governments at all levels constantly monitor tax reimbursements, and conduct stress tests on finance to reduce risks and safeguard people's livelihoods. And national and provincial fiscal departments should share the cost of tax refunds for some poor areas in cities and counties, and ease their financial strains.

Second, it is important to support MSMEs using VAT credit refunds. The policy has proved highly effective for MSMEs, for many of them have overcome all the odds, with some paying back the tax and credit refunds. VAT credit refunds have the potential to not only alleviate the hardships of MSMEs, but also make fiscal policy more sustainable.

Third, there is a need to strengthen supervision of some big businesses to ensure the tax and credit refunds can be recovered fully and timely. Some companies have immensely benefited from huge amounts of tax and credit refunds but paid nothing or little to the tax and financial authorities, making the tax and fee cut policy financially unsustainable. Thus, strict supervision of enterprises is needed to root out potential risks and get the repayments on time.

The views don't necessarily represent those of China Daily.

GLOBAL VIEWS

BRAHIM FASSIFHRI

Mutual respect,
mutual benefitAfrica has focused its attention on China
as its development partner

The rise of China-Africa relations constitutes a prominent political and economic trend on the African continent since the end of the Cold War. This is built on the historical friendship between China and Africa that dates back to the 1950s with the Bandung Conference. Now that China is the world's second-largest economy, the amount of trade between China and Africa has hit records in 2021, reaching \$254 billion and marking a 35 percent increase compared to the year before. In the first quarter of 2022, trade between China and Africa reached \$64.8 billion, 23 percent higher than that in the same period in 2021, according to data from the Chinese General Administration of Customs. China has thus become one of the main partners of the African continent.

The African business climate has improved significantly in recent years. At the time of the last Doing Business ranking published in 2019, Mauritius and Rwanda were among the top 50 best countries in the world in terms of attractiveness. In addition, several countries such as Morocco and South Africa have seen their performance in this field grow continuously over the years. Therefore, the strong cooperation between China and Africa has encouraged the growth of Chinese investment on the continent.

Despite the pandemic, Sino-African cooperation has maintained its strong momentum. The Chinese investment covers a range of sectors from public works to telecommunications. Chinese investment has even continued to grow despite the current pandemic and other crises. In 2020, China invested nearly \$2.96 billion in Africa, an increase of 9.5 percent compared to 2019.

China approached the African continent carrying the torch of win-win partnership. Indeed, the Belt and Road Initiative has displayed prodigious potential for win-win cooperation, in spite of the challenges and external criticism. With the support of the Chinese government, private entrepreneurs play a major role in the construction of links with Africa that offer, in return, a large market for Chinese manufactured goods.

Between Jan 1 and March 31, 2022, Chinese imports from

Africa increased by 29.3 percent to \$29.7 billion. During the same period, Chinese exports to the African continent amounted to \$35.16 billion, representing an increase of 18.2 percent over one year. Africa exports mainly mineral fuels, crude material and manufactured goods to China while importing primarily machinery and manufactured intermediary and consumer goods.

The intensification of China-Africa relations is due to the symmetry of the balance of power, equality, mutual benefit, sovereignty, and non-interference. The implementation of the Belt and Road Initiative is helping to advance connectivity across the African continent and stimulate intra-African commerce. Additionally, it is generating opportunities for infrastructure development. The initiative also aims to help to advance the African Union's Agenda 2063 by opening new financial avenues for the continent's main integration projects.

The priorities of the Belt and Road Initiative are set with no ambiguity: policy coordination, facilities connectivity, unimpeded trade, financial integration, and people-to-people bonds. In terms of financial integration and the maintenance of solid trade relations, the initiative foresees providing capital loans and technical financial instruments, as well as establishing economic corridors and trade agreements. To improve its connectivity to foreign partners and potential cooperative international actors, the Belt and Road Initiative places great emphasis on financing and co-financing large infrastructural projects including roads, railways, ports and pipelines. Additionally, it also touches on telecommunications networks, allowing the establishment of important development zones. In terms of policy coordination, the initiative plays a major role in the negotiation and implementation of diplomatic agreements, activities and policy programs.

In Africa, under the framework of the Belt and Road Initiative, roads, railways, bridges, hospitals, schools and airports, among other facilities, have been constructed, which has boosted trade, increased jobs, improved transport, education and health services among African countries. Today, African

countries have seized the tangible potential of the initiative to improve intra-African trade and strengthen their global supply chains, demonstrating great openness and commitment toward achieving common development goals with China.

Among the specific examples we can provide of this performance, Morocco has a similar pathway of economic cooperation and embraces the same values of the diplomatic practice as China's foreign policy. According to the China MED Report (2019), Morocco, like the other African supporters of the Belt and Road Initiative, was able to rationally assess the positive outcomes of the initiative, without ignoring all the possible risks. Morocco has indicated its readiness to play an active role within the initiative, based on its African, Mediterranean and Arab characteristics. Since both nations promote the importance of the South-South cooperation ties, they have committed to an inclusive approach to global connectivity in the initiative's critical dimensions, notably in terms of policy, infrastructure, trade, finance and people-to-people connections. Within the framework of the friendly relations between the two countries and the open dialogue between His Majesty King Mohammed VI and President Xi Jinping, major strides have been made in the development of bilateral relations. Morocco is indeed an important participant in the Belt and Road Initiative in the African continent and provides a tangible demonstration of its instruments, notably economic cooperation through bilateral trade agreements, direct investment and the co-financing of infrastructure projects as well as diplomatic proximity through the establishment of a Confucius Institute in the capital, cultural events, and academic exchange programs. It is also important to mention the substantial cooperation between the two countries in the context of the COVID-19 pandemic in terms of China's provision of vaccines.

The author is founder and president of the Amadeus Institute, Kingdom of Morocco. The author contributed this article to China Watch, a think tank powered by China Daily. The views do not necessarily reflect those of China Daily.



MA XUEJING / CHINA DAILY

SUN DEGANG

Finding their feet

Autonomy and Economy: common
aspirations for Middle Eastern nations

The year 2022 was extraordinarily volatile for the Middle East. The Russia-Ukraine conflict worsened the food security crisis in the region. Both the United States and Russia stepped up their diplomatic engagement in the region, rallying more support from their respective allies. To reduce dependence on Russian oil and gas, Europe's major powers strengthened cooperation with Middle Eastern countries. India has vigorously expanded its footprint in the Middle East, playing a pivotal role in the Quad (a strategic security dialogue between Australia, India, Japan and the United States) and the I2U2 Group (a grouping of India, Israel, the United Arab Emirates and the US). Amid the major power competition, Middle Eastern countries have maintained their strategic autonomy, upholding the principles of strategic hedging and a restructuring and re-balancing of power. Overall, Middle East players have moved from confrontation to detente, but the situations are still intense in certain parts. Maintaining peace and promoting development have become a common desire of all countries in the region. The Middle Eastern countries are of great significance to China's global diplomacy and China-Middle East cooperation has been brought to new heights.

Following the sudden onslaught of the COVID-19, the world's major countries started to walk away from the Middle East, with declining desire and shrinking capability to participate in regional affairs. For instance, the US withdrew its troops from Afghanistan in 2021, and Russia reduced its military footprints in Syria and Libya. The Russia-Ukraine conflict that started in 2022, however, has altered the major-country relations among the US, Russia, the United Kingdom, the European Union and India. The Middle East has been elevated to a strategic region and major countries are vying for influence.

The Middle East has secured a more important status in the US' global strategic deployments. The Joe Biden administration has been vigorously amending the US' relations with its allies in the Middle East, by forging a holistic alliance in security, energy, technology and economy, consolidating a united front against Russia and Iran, and pressing ahead with a "Middle East NATO". Its first move was to strengthen the Middle East Strategic Alliance by holding a summit with the leaders of Gulf Cooperation Council members, plus Egypt, Jordan and Iraq. Its second move was to establish the Middle East Air Defense Alliance, which connects the air defense forces of the US, Israel and US-aligned Arab states. The third move was to establish new quadrilateral group, I2U2, which connects its allies in the Middle East with its allies in the "Indo-Pacific" region.

Since the outbreak of the "Arab Spring", the Middle East has been divided into several power centers — the traditional Islamic alliance led by Saudi Arabia, the pro-Brotherhood grouping led by Turkiye,

the axis of resistance led by Iran and an alignment of pro-US moderate states initiated by Israel. In 2022, countries in the Middle East have pursued interaction and reconciliation, among which many moves are groundbreaking, a signal that relations between the three regional powers, Arab states, Israel and Turkiye, are improving at an accelerated pace. Israel took the lead in setting up the Negev Forum, which has promoted cooperation with Arab states that have established diplomatic ties with Israel.

Relations within the Arab world have also shown signs of reconciliation. Members of the Arab League have displayed greater solidarity, with peace and development becoming a common aspiration for all parties. A number of Middle Eastern countries have put forth their respective goals and schedules for achieving carbon peaking and carbon neutrality. In November 2022, the 27th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, or COP 27, was held in Egypt. Qatar hosted a successful FIFA World Cup, putting the nation in the global spotlight with the successful practice of "lesser power for greater diplomacy". Saudi Arabia put forward the Green Saudi and Green Middle East initiatives. The United Arab Emirates will host COP 28 in 2023.

The global oil and gas prices spiked on the heels of the outbreak of the Russia-Ukraine conflict. The financial conditions of oil-producing countries in the Middle East have greatly improved; the sovereign wealth fund of Gulf Arab states has increased; and Middle Eastern countries have evolved from "little brothers" seeking support from major powers to "equal partners" courted by major powers.

In general, the Middle Eastern countries have upheld strategic hedging featured by multi-polarization of global politics and economic diversification. On the one hand, they have maintained conventional security and defense pacts with the US-led Western nations to consolidate existing cooperation. On the other hand, they have boosted pragmatic cooperation with Russia, China and India to expand energy and investment profits. The Middle East is no longer the US backyard, and US allies in the region have stopped following every instruction that Washington gives — all countries have notably increased the awareness of strategic autonomy with stronger confidence that the Middle Eastern peoples are masters of their land.

China achieved a bumper harvest with its diplomacy in the Middle East in 2022. Against the backdrop of profound adjustments in major-country relations, China and the Middle Eastern countries have always supported and assisted each other, sharing weal and woe and jointly implementing the Global Development Initiative and the Global Security Initiative. At the start of 2022, the foreign ministers of Saudi Arabia, Bahrain, Kuwait, Oman, Turkiye and Iran visited China, a sign that Middle

Eastern countries have collectively shifted from "looking to the East" to "marching toward the East".

From Dec 7 to 10 in 2022, Chinese President Xi Jinping attended the first China-Arab States Summit and the China-GCC Summit and paid a state visit to Saudi Arabia. The China-Arab States Summit was the first one that the Arab League has held with a sovereign state, ushering in a new era in China-Arab relations. According to the Outline of the Comprehensive Cooperation Plan Between China and Arab States, China will, in the next three to five years, work with the Arab side to advance eight major cooperation initiatives in the areas of development, food security, public health, green innovation, energy security, inter-civilization dialogue, youth development, security and stability. From the Tianjin Declaration in 2010, to the Beijing Declaration in 2018, and then to the Riyadh Declaration in 2022, China-Arab relations have been constantly upgrading and updating.

At the first China-GCC Summit, China and GCC countries announced they would strengthen the China-GCC strategic partnership. The two sides issued a 2023-2027 action plan for strategic dialogue, which stresses that China and the GCC countries should be partners for greater solidarity, shared development, common security and cultural prosperity, and push forward bilateral cooperation in such priority areas as new energy, new economy, new technologies and new infrastructure.

Saudi Arabia was a focal point of President Xi's successful Middle East trip. China and Saudi Arabia signed a long-term plan for the comprehensive strategic partnership agreement, and agreed to take turns to host biennial meetings between the heads of state of the two countries. The two sides agreed to upgrade the China-Saudi Arabia High-level Joint Committee to the prime minister's level and signed an implementation plan to synergize China's Belt and Road Initiative and Saudi Arabia's Vision 2030.

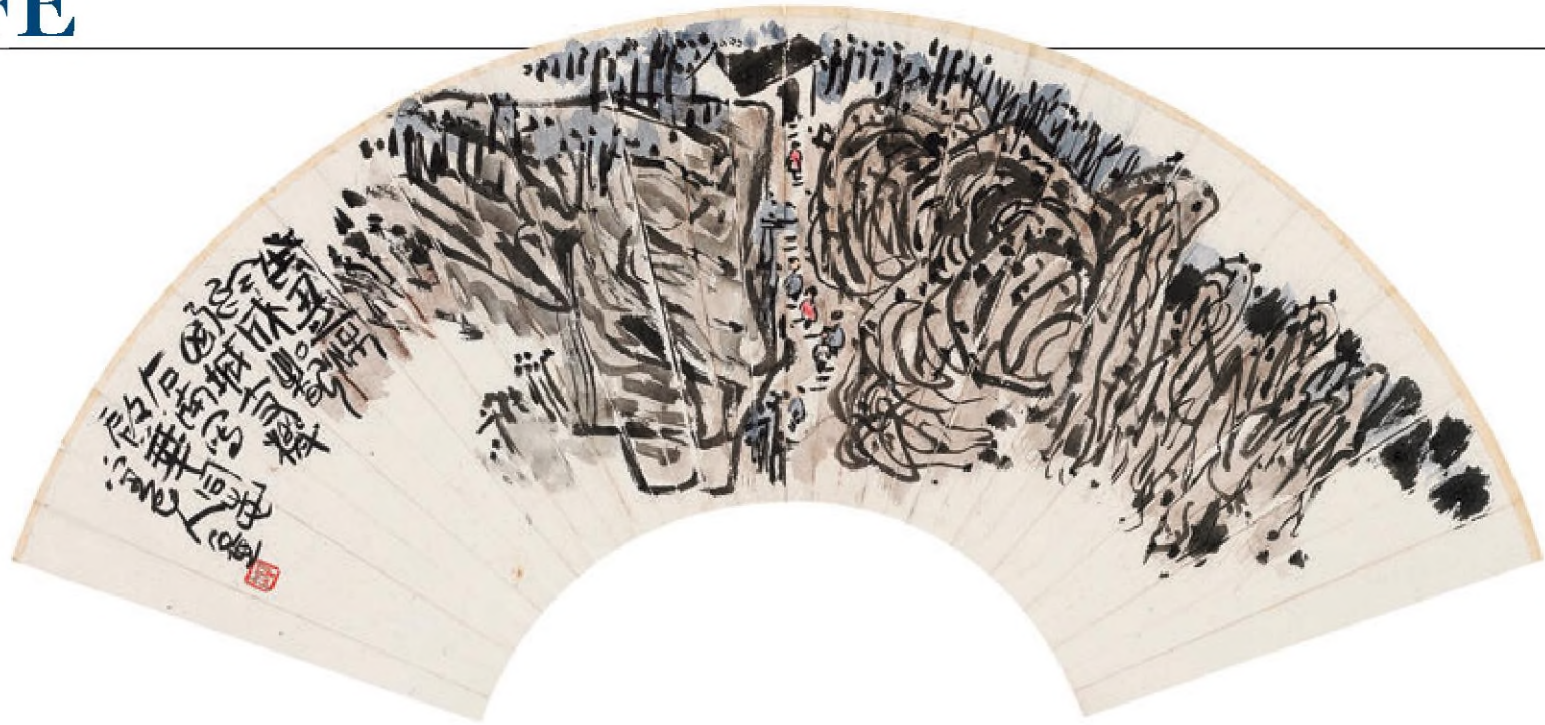
Looking ahead, the Middle Eastern countries will seek new progress amid great changes in 2023. Turkiye will celebrate the centenary of its founding of the republic and hold the general election in June. Benjamin Netanyahu has returned as the prime minister of Israel, inaugurating a new government. Iran is vigorously coping with internal and external challenges in an all-out effort to get out of its dilemma. The majority of Arab states have realized succession of the new to the old, and are exploring development paths suited to their own national conditions based on their medium- and long-term development goals. Thus peace and development are just over the Middle Eastern horizon.

The author is a researcher and director of the Center for Middle Eastern Studies at Fudan University. The author contributed this article to China Watch, a think tank powered by China Daily. The views do not necessarily reflect those of China Daily.



WANG XIAOYING / CHINA DAILY

LIFE



Artist with flowering talent

Exhibition on the late self-taught painter Chen Zizhuang reveals his unrestrained spirit, **Lin Qi** reports.

Flowers and plants are among the most favored motifs that have been revisited by painters in the past and present, at home and abroad.

Chen Zizhuang (1913-76), a late artist of classic Chinese painting, didn't care for the flowers and plants that thrived in courtyards and houses, as they had been cultivated by people rather than growing in a natural environment.

With his brushstroke, Chen zealously hailed plants growing in mountains and valleys and by waters, and which enjoyed the pleasures and embraced the hardships of nature. In them he sensed vigor and sensitivity.

When he received a commission from a museum in Chengdu, Sichuan province, in 1962, to make flora-themed paintings, Chen depicted begonias, pear flowers, daffodils and hibiscuses springing in the wild. This poetic collection of four screen paintings is regarded as a representative work in Chen's oeuvre.

The artworks are in the collection of the Yang Sheng'an Museum in Xindu, Chengdu, and now on show at *Wonderland in Mind*, a research exhibition on Chen's art and life at the

Art Museum of the Beijing Fine Art Academy that runs through to Feb 26.

The show brings together some 100 ink paintings and calligraphy pieces from three museums in Chengdu, the city where Chen, a native of neighboring Chongqing, spent a great deal of time until his death.

Chen's tendency to hail nature and prosperous lives in the wild was linked to his own experiences.

The exhibition navigates his life and career as a legendary figure in the cultural scene in Sichuan, says Tao Yilin, the curator.

"He was born in a humble household, making a living on herding cattle while drawing on the ground. He was a self-taught painter, who earned a living by selling paintings and sometimes as a street performer of acrobatic stunts and martial arts. He was able to work as a professional artist in his middle age, and his passion for nature and painting helped him through hard times."

Chen's works also show an influence of earlier painters with mastery over capturing lives in their most vibrant and natural conditions. Chen once said: "In the beginning, I learned from Qi Baishi and Wu



Top: A fan painting by ink artist Chen Zizhuang (1913-76).
Above: A photo of the painter.

Changshuo (prominent Chinese art figures of the 20th century), and then I sourced enlightenment from the work of Bada Shanren (a 17th-century master artist)."

Tao says Chen's distinctive style shows a reduction in details and colors and a tasteful play with varying shades of ink, by which he presented an ambience of simplicity, aloofness and innocence; meanwhile he was able to uphold the spirit of Chinese ink traditions.

At 42, Chen was admitted to Sich-

uan's provincial institute for culture and history and became its youngest member. He gained in creativity and vision, thanks to the guidance of his senior colleagues there. He focused on Sichuan's landscapes and wildlife after that.

Chen entered his prime time in art in 1974 and produced dozens of paintings, showing mastery with technique and the formation of his personal style. Works from that period are a highlight of the ongoing exhibition.

Despite heart trouble from time to time, Chen could travel to different areas of Sichuan, and established a style to present the ethereal atmosphere of the scenery before his eyes.

"Chen always reinforced in his work that the most important thing about art was sincerity, not fame," Tao says. "The mountains, terraces and folk customs of Sichuan formed a never-exhausting source of inspiration for him."

Many of his paintings were done on Jiayang paper, an established brand of handmade material from Jiayang, a county at the foot of Mount Emei, where the fine papermaking

tradition dated to the Tang Dynasty (618-907). Chen believed the special paper accentuated the mood he wanted to deliver in his artworks.

Except for the commissions Chen undertook, his paintings are largely no more than 50 centimeters in length and width, mainly because he couldn't afford paper of bigger sizes. Even so, he tried to show the best of his brushwork.

"One can't call himself an artist if he isn't able to leverage his mind to a level to understand the unity of universe and all lives," Chen once said. "A small painting can as well reveal the vastness of an artist."

An exhibition of Chen's art at the National Art Museum of China in 1988 first introduced his accomplishments to a wider audience in Beijing, while the current show provides a glimpse of the deepening research into his career over the years.

Tao says Chen is a figure evoking excitement among those interested in 20th-century Chinese art, and whose work defines the openness and breadth of Chinese painting.

Contact the writer at
linqi@chinadaily.com.cn



Chen's paintings on show include (from left) *A Landscape of Sichuan*, *An Album of Flowers and Birds*, *Cypresses* and *Cliff Over a Bridge*. PHOTOS PROVIDED TO CHINA DAILY

What's on

New prints



Some 90 years ago, Lu Xun, the noted writer and avid collector of prints, set up a research unit for woodcuts in Shanghai. He introduced his collection of modern European prints to youngsters, which inspired the "new wave woodcut movement" and encouraged artists to make prints as a way

to address social issues and people's concerns. This cultural phenomenon initiated by Lu Xun continued for decades and influenced generations of artists who kept their creations in pace with the times. In 2021, the Shanghai Artists Association launched an annual exhibition, *Year-After-Year Archives*, to showcase the development of contemporary prints by local artists. The second exhibition is being held at the Liu Haisu Art Museum through to Feb 19, and displays works that depict cityscapes, urban life and, most importantly, people of varying social ranks who have contributed to social progress.

9 am-5 pm, closed on Mondays.
1609 Yan'an West Road, Changning district, Shanghai. 021-6270-1018.

Women of history

In Chinese history, Fu Hao, a royal consort of the Shang Dynasty (c.16th century-11th century BC) ruler Wu Ding, was a woman who led a life of glory — she was a military commander, ceremony admin-

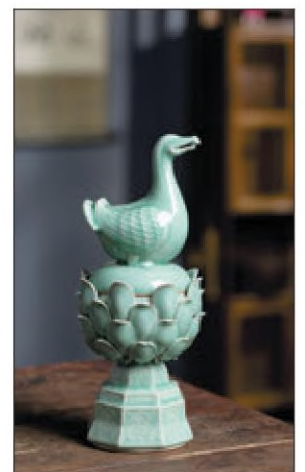
istrator and mother of the heir to the throne. Aspects of her life are revealed on objects unearthed from her tomb in Anyang, Central China's Henan province, and also oracle bones from her time. One engraved ox scapula, for example, bears inscriptions suggesting that she had just delivered a baby and was asked if the process was smooth. This object is now on show at *Women and Femininity in Ancient China*, an exhibition at the Hong Kong Heritage Museum displaying dozens of selected artifacts from the collection of the Nanjing Museum in East China's Jiangsu province. The statues, pottery pieces, paintings and other objects present insights into the lives of women centuries ago. While conventional roles such as being a wife or mother are displayed, the exhibition also shows the women's artistic talents. The exhibition ends on Feb 27.

10 am-6 pm, Monday, Wednesday-Friday; 10 am-7 pm, Saturday and Sunday. 1 Man Lam Road, Sha Tin, Hong Kong. 852-2180-8188.



Ceramic show

Throughout centuries, artisans have perfected their craft and influenced aesthetics by molding a mixture of water and clay into various shapes, then firing them into fine ceramics. The earthy apparatus, glazed with creamy coating, lights up people's houses and lives and reflects their takes on beauty and the relations among people, materials and the soil. *From Clay to Apparatus*, an exhibition now on at the Bund Finance Center in Shanghai, brings together ceramics by dozens of artists from China and Japan. The show investigates the traditions of ceramic-making. Meanwhile, it shows how artists in the two countries, both with a long history of creating elegant ceramics, ushered tradition into a modern context to renew the techniques and to create new aesthetics taste. The exhibition, running through to Feb 28, at the Kyoto House, initiates "a dialogue" between Chinese and Japanese artists and explores ways to real-



ize the show's aim of "delivering emotions through objects".
Bund Finance Center, 600 Zhongshan Dong Er Road, Huangpu district, Shanghai. 021-6366-9999.

LIFE



Wood carver Wu Furong works on a piece in his studio in Xianyou county, Fujian province, in 2019. PROVIDED TO CHINA DAILY

Carving out a specialty

Craftsman shapes wood into various forms to make it seem alive, report **Wang Ru** and **Hu Meidong** in Fuzhou.

At the entrance to Tanbian village, Xianyou county, Fujian province, there is an old tree that has stood proudly for about 100 years. Under the tree there is a crudely built iron-sheet structure with its doorway often filled with sawdust. It is the studio of Wu Furong, a craftsman specializing in wood carving.

"What I carve are often large-sized works roughly three to five meters long, and I usually work for more than 10 hours every day. Therefore, I work in the studio so that the noise won't disturb neighbors," says Wu.

Now in his 50s, he has worked in this profession for more than three decades, and is a sophisticated craftsman who enjoys his work.

Xianyou is famous for its arts and crafts industry, which is a pillar of the local economy, and includes carving, painting, embroidery and lacquerware. According to statistics released by the Xianyou government, nearly 200,000 people are engaged in such businesses, creating an output of approximately 53 billion yuan (\$7.7 billion) in 2021.

Among them, wood carving plays a significant role. Xianyou has a wood-carving history stretching back more than 1,000 years, and is known as "the capital" of the craft in China. Wood carving has been listed as a provincial-level intangible cultural heritage of Fujian.

It is not surprising that Wu, who became interested in handicrafts in childhood, learned the craft at 16. At first, he learned the skills from his cousin, and then by working in a local company established by You Liangzhao, a master of wood carving in Xianyou. He worked for the company for more than two decades, but in recent years, he has branched out on his own.

His carving covers a wide range of subjects, including Buddhist statues and artistic works depicting famous paintings, legends, historical stories and musical instruments. He cannot remember how many works he has created over the years, but they have been sold to many places in China, and to countries like Singapore and Malaysia.

Xianyou wood carving features simplicity and conciseness. The materials craftsmen use are often expensive with special textures and complicated patterns, and the Xianyou craft aims to give full play to the beauty of the wood itself.

"Carving wood requires much patience. You need to observe the original wood, consider your plan, roughly draw the patterns and begin to carve. You need to polish the work slowly and repeatedly to

Carving wood requires much patience. You need to observe the original wood, consider your plan, roughly draw the patterns and ... polish the work slowly and repeatedly to make it good."

Wu Furong, wood-carving craftsman

make it good," says Wu.

"Artistic works are flexible and have no fixed standards. Therefore, I often need to think of the plan for a long time, while I try to find the best possible way to make it," he adds.

He always considers a lot of details, such as the size, costume, posture and accessories of each character he is shaping.

Zhang Weimin, another wood carver in Xianyou, says, "Besides the craft, more in-depth thought is required to make an artistic piece."

"Every craftsman has a unique style of wood carving, and that is formed by integrating their experience and emotions into the traditional craft," he adds.

Sometimes, when Wu carves a large-scale piece up to a height of three meters, he needs to climb on a ladder. He often stays on the ladder for several hours, but the effort doesn't bother him.

"I love the work. Every time when I complete a piece after repeated revision and improvement, I feel that it is the most enjoyable moment in my life, and all the difficulties of the process are worth it," says Wu.

Wu has recruited dozens of apprentices over the years, but many gave up halfway. "Carving is fiddly work, which not only requires sharp insight and good mastery of the craft, but also the patience to endure hardships."

"For decades, the graver has never been idle in my hands, and that comes from people's recognition of my proficiency in wood carving. Making every piece of work as good as I can, that is what I have tried to accomplish as a craftsman," says Wu.

Contact the writers at wangrui@chinadaily.com.cn



Top: A wooden statue of a Bodhisattva carved by Wu in 2019. **Above:** A wooden artwork by Wu shows Guan Yu, a general from the Three Kingdoms (220-280) period. PHOTOS PROVIDED TO CHINA DAILY

People's health is priority in COVID-19 fight

Unlike the ordeal at the onset of the COVID-19 pandemic three years ago, Wuhan resident Huang Jianmei was not in a state of panic after getting infected again, this time with the Omicron variant.

Huang had a cough, but the symptoms were mild. She took some medicine and recovered, without going to the hospital. She has completed a full course of vaccination against COVID-19, including a booster shot.

"Owing to nearly three years of pandemic control efforts nationwide, the diagnosis and treatment have been optimized. The virus is not as destructive as before," says Huang, 50.

Huang lost her husband to the COVID-19 outbreak in early 2020, but she, her son, and her daughter, who were all infected, survived.

Huang was in a critical state and was first transferred from a quarantine site to a designated COVID-19 hospital. She was then moved to Huoshenshan Hospital, which was temporarily built for treating COVID-19 cases. After about two months of treatment, she was discharged upon recovery.

As one of the first critical patients who successfully recovered after treatment, Huang has participated in a national clinical treatment and research project on stem cells since her recovery.

"Without the help of my country and medical staff, I would not have had a second chance at life. Therefore, I would like to play an active role in helping other patients," she says.

To contain the pandemic in Wuhan in early 2020, more than 40,000 medics from across the country rushed to the central Chinese city as part of the largest mobilization of medical resources since the founding of New China in 1949. Thanks to the resolute efforts of the medical personnel, over 3,000 COVID-19 patients aged 80 and above were cured.

Since securing the strategic outcomes in the battle to defend Hubei province and its capital city of Wuhan, China has effectively tackled more than 100 cluster infections over the past three years, fighting different variants of the virus including the Delta and Omicron strains, and upholding the principle of putting people's lives and health above everything else.

In 2022 alone, a number of centenarians fully recovered from COVID-19 infections after medical treatment.

In Northwest China's Xinjiang Uygur autonomous region, 101-year-old woman He Cui recovered from COVID-19 after 10 days of medical treatment. Her daughter Li Ti described the recovery of the elderly woman, who has underlying conditions such as hypertension, as "miraculous".

China has managed to keep its severe COVID-19 cases and death rates among the lowest in the world.

The average life expectancy of the Chinese people has continued to rise amid the pandemic, from 77.93 years in 2020 to 78.2 years in 2021.

At a vaccination site in Beijing's Haidian district, an increasing number of elderly people have been spotted recently. An 87-year-old woman who had already received a COVID-19 vaccine booster shot says she accompanied her 91-year-old husband to

get the third shot.

In China, over 90 percent of the population has been fully vaccinated. Almost 87 percent of people over the age of 60 have been fully vaccinated, but only 66.4 percent of people over 80 have completed a full course of vaccinations.

With a population of 267 million aged above 60, China is accelerating vaccination among this group. In late November, the country released a work plan to improve the vaccination rate among the elderly.

Beijing's Ditan Hospital treated more than 100 COVID-19 patients over the age of 80 at its peak.

"The vaccination rate among those elderly patients is generally low, therefore, the incidence of severe illness after infection is relatively high, especially for those who have underlying diseases," explains Chen Xiaoyou, deputy director of the hospital.

In Beijing's Shijingshan district, door-to-door services are offered to help the elderly get vaccinations.

Xu Xiaotao, a community worker in Shijingshan district, says a mobile inoculation team, comprising about five to six community workers and medics, is usually responsible for vaccinating senior citizens in over 30 households in the course of an afternoon.

Other measures such as the "green channels" for the elderly, have also been adopted in different places to boost the vaccination rate.

With the optimization of pandemic control measures, the focus of China's pandemic response strategy was shifted from infection control to case treatment with the objective of preventing severe cases.

China is also accelerating efforts to expand the capacity of fever clinics at medical institutions. By the end of October, there were 19,400 fever clinics or consulting rooms at community healthcare centers and township level across the country. It is expected that by March 2023, about 90 percent of township-level health centers will be equipped with fever clinics, says an official with the National Health Commission.

China has prepared medical facilities for treating severe cases as the country is witnessing a rise in the number of such patients. Third-grade hospitals should take in COVID-19 patients with severe conditions, as well as those with multiple underlying conditions, says Jiao Yahui, an official with the National Health Commission.

Third-grade hospitals rank at the top of China's three-tier hospital grading system. They have the most hospital beds and provide comprehensive medical services.

Senior patients with underlying conditions and children should be directly transferred to third-grade hospitals as soon as their conditions change, Jiao adds.

Jiao also emphasizes that medical treatment should be strengthened for key groups, and special attention should be paid to key areas with a dense elderly population, such as nursing homes and welfare homes. Local health departments, civil affairs departments and hospitals have been urged to give assistance to nursing homes and welfare homes, and provide health guidance for the elderly.

XINHUA



Medical professionals vaccinate a senior citizen at her home in Huiwen township, Wenchang, Hainan province, in December. PU XIAOXU / XINHUA

SPORTS

SOCCER

Villarreal dents Real's title hopes

Moreno impressive as his assist and a goal beat the Spanish giant 2-1

BARCELONA, Spain — This will be one for Quique Setien to savor. His Villarreal beat Real Madrid 2-1 on Saturday in a victory that will help rehabilitate the credentials of a coach who spent more than two years away from soccer following his short and painful stint in charge of Barcelona.

The pulsating Spanish league match at Villarreal's remodeled Estadio de la Ceramica could have ended with more goals, especially for the all-yellow hosts.

Gerard Moreno, who missed the World Cup for Spain due to injury, led Villarreal with an assist and a goal against the Spanish and European champion.

Jeremy Pino put Villarreal deservedly ahead in the 47th minute from a pass by Moreno after Ferland Mendy lost possession with an errant pass. A handball by Villarreal's Juan Foyth allowed Karim Benzema to momentarily level from the penalty spot in the 60th.

But another handball, this time by Madrid defender David Alaba on a pass by Foyth, sent Moreno to take the winner for Villarreal in the 63rd. Villarreal, which held Madrid to five consecutive draws at its stadium, took the initiative and forced Madrid's defenders into sloppy passing. Francis Coquelin hit the post with a superb shot with the back of his heel while on the turn, slicing the ball from a tight angle past Thibaut Courtois. That pressure led to the breakthrough by Pino just after halftime.

"We played an extraordinary match against an extraordinary team," Setien said. "We were better in many aspects, kept the action in their half of the field and created our scoring chances. We increased our pressure because we know that if you give them room, they can cause you problems."

The 40-year-old Pepe Reina started in Villarreal's goal, hours after the club announced it transferred Argentine Geronimo Rulli to Ajax. Reina blocked a shot by Vinicius Junior in Madrid's best chance late in the first half.

Villarreal substitute Arnaut Danjuma should have tacked on a third goal on the game's final kick when Courtois was caught joining Madrid's last-gasp attack, only for his effort to trickle wide of the unprotected net.

Setien was considered one of Spain's brightest coaching minds before he joined Barcelona in January 2020 for his first job with an elite club. He lasted just eight months

and was let go following an 8-2 loss to Bayern Munich, Barcelona's worst in recent memory.

The manager returned to coaching only in October when he accepted the challenge of replacing Unai Emery, who left for Aston Villa following his successful run at Villarreal that included a Europa League title and the Champions League semifinals.

Setien had a turbulent start, drawing in his debut and losing the next three matches. But the team started to win and is playing even better following the World Cup break. It beat Valencia in a regional derby before taking down Madrid to climb into fifth place.

Setien, known for his attacking style, tweaked what was a successful scheme under Emery and found another way to win. Pino has moved from the right to the left side of the attack, allowing Samuel Chukwueze to play on the right and provide speed on both flanks. Alex Baena, who is enjoying a breakout season, shifted into an interior role, while Dani Parejo has moved further back in the midfield to act as its main playmaker.

"I always believed," Setien said. "Our start was not the best one. There was the shock in the club with a new coach who wants to change things even though the team is playing well. But I am a man of convictions and knew that this would work out."

The loss by Madrid gave Barcelona the opportunity to regain sole lead of the competition on Sunday when it visits Atletico Madrid.

Madrid will pause league play to compete in the Spanish Super Cup in Saudi Arabia along with Barcelona, Real Betis and Valencia. Once back in Spain, Madrid will face another trip to Villarreal in the Copa del Rey quarterfinals.

Madrid coach Carlo Ancelotti called on his defense to play better.

"We didn't defend like we want to, we left too many spaces between our lines," Ancelotti said. "We have to interpret the moments of the game better. Now we have to focus on the Super Cup."

Madrid's starting 11 included no Spanish players. According to Opta statistics, this was the first time Madrid did not have a Spaniard on the field at kickoff in a Spanish league game in this century. Other local media said it was the first time this occurred in the history of the club.

AGENCIES VIA XINHUA



Villarreal's players celebrate their first goal during the Spanish League match against Real Madrid at La Ceramica stadium in Villarreal on Saturday. AFP

Danilo honors late Vialli by firing Juve 2nd

MILAN — Danilo made sure that Juventus paid the perfect tribute to deceased former captain Gianluca Vialli by netting the only goal in Saturday's 1-0 win over Udinese which fired the Turin giants second in Serie A.

Massimiliano Allegri's team jumped one point above AC Milan and to within just four of league leader Napoli thanks to a beautifully-constructed goal finished off by the Brazilian defender four minutes from the end at the Allianz Stadium.

Danilo extended Juve's league winning streak to eight games, a run in which it hasn't conceded a goal, after Federico Chiesa controlled fellow substitute Leandro Paredes' delicate chip and then played a perfect pass across goal.

That was one of the few clear-cut chances Juve created against eighth-placed Udinese, who was missing their talisman Gerard Deulofeu and is winless in nine matches.

On Friday, Juve travels to Napoli, who on Sunday was in action at Sampdoria, where former Italy forward Vialli — a victim of pancreatic cancer — played most of his soccer and may be mourned the most.

"After the win our first thoughts go to Gianluca Vialli. He was a great guy, I was lucky enough to have had him in my life," said Italy forward Chiesa.

The 25-year-old was part of the Italy team which won Euro 2020, and hailed Vialli's role in that triumph despite him not having a coaching role with the Azzurri set-up.

"You could speak for hours and hours about what a great man he was," Chiesa added. "This win is for him"

Champion Milan could move back into second if it beat Roma in Sunday's late match, and sit two points ahead of Inter Milan after Denzel Dumfries' stoppage-time own goal led to it drawing 2-2 at Monza.

Spirited Monza is nine points clear of the relegation zone in its first ever Serie A season thanks to Dumfries deflecting former Inter youth player Luca Caldirola's header into his own net.

However Inter coach Simone Inzaghi was livid that a Francesco Acerbi strike had not been given 10 minutes earlier because referee Juan Luca Sacchi blew for a non-existent foul before the ball went in, leaving VAR powerless to intervene. "We're very angry, because it's a clear mistake. After five years of VAR... Everyone knows to wait and see what happens," said Inzaghi to Sky.

Vialli remembered

It was an emotional day for many Juve fans, who will remember Vialli as the last captain to lead their team to a major European honor more than a quarter of a century ago.

Fans brought jerseys emblazoned with the former Italy striker's name, while one flag in the Allianz Stadium stands depicted the moment he lifted the Champions League trophy in 1996.

Gianluca Pessotto, who played over 250 times for Juventus and was alongside Vialli in that triumphant campaign, hailed "a captain. A friend," in his pre-match eulogy on the pitch.

"You were our leader on and off the field," said former Italy international Pessotto who is now sporting director of Juve's youth academy.

"Nobody will ever forget the memories you gave us with your football and your goals. We will miss your smile so much."

Juve was also mourning former Italy defender Ernesto Castano, who won three Serie A titles with the Turin giant in the 1960s and died aged 83 on Thursday.

AGENCIES VIA XINHUA

AFP

Newcastle humbled in FA Cup again; non-league Wrexham wins

Even having club soccer's richest owners cannot improve Newcastle's pitiful record in the FA Cup.

Newcastle was humbled by a lower-league opponent in the third round of the famous old competition for the second straight year under its Saudi owners, losing at third-tier Sheffield Wednesday 2-1 on Saturday.

At the same stage last year, Newcastle was beaten at home by another third-tier club, Cambridge United. Yet the northeast team was still in the early days of the new era then.

Now, it is a rising force in the Premier League, in third place and fighting to reach the Champions League.

Two other Premier League teams — Nottingham Forest and Bournemouth — were beaten by lower-league opposition in Blackpool and Burnley, respectively, on Saturday. But neither represented major shocks, given they fielded weakened lineups because top-flight survival is their priority.

Newcastle's elimination was a big surprise, with Josh Windass scoring for Sheffield Wednesday in the 52nd and 65th minutes before Bruno Guimaraes pulled one back in the 69th.

Newcastle has advanced beyond the fourth round of the FA Cup only once since 2006 — in the 2019-20 season.

The early exit at least allows Newcastle to concentrate on finishing in

the Champions League qualification positions in the league. The team doesn't have European competitions to deal with, either.

Hollywood story

There will be at least one non-league team in the fourth round and it's Wrexham, the fifth-tier team with the Hollywood owners.

Wrexham, owned by Ryan Reynolds and Rob McElhenney since 2020, won at second-tier Coventry 4-3.

"I'm completely and totally speechless," Reynolds tweeted to his 21 million followers. "What a club. What a town. What a win."

Wrexham, a club from Wales, was the architect of one of the FA Cup's greatest upsets, beating then-English champion Arsenal in the third round in 1992.

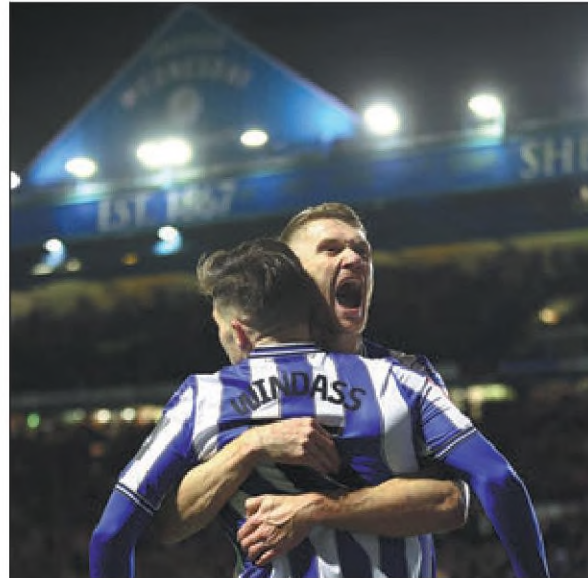
Liverpool held

Cody Gakpo made his debut for Liverpool in the defending champion's entertaining 2-2 draw with Wolverhampton.

The Netherlands forward, who joined from PSV Eindhoven last week, played 84 minutes before being substituted, having provided the pass from which Mohamed Salah scored to make it 2-1.

Hwang Hee-chan equalized in the 66th and Wolves had what the team thought was a late winner by Toti ruled out for a narrow offside in the buildup.

Liverpool striker Darwin Nunez



Sheffield's Josh Windass celebrates with Michael Smith during their FA Cup match against Newcastle United. REUTERS

canceled out the opener by Goncalo Guedes, which came after a mistake by Brazil goalkeeper Alisson Becker.

Kompany's Cup links

The last time Vincent Kompany was seen in the FA Cup, he was lifting the trophy at Wembley Stadium on his final appearance for Manchester City after its 6-0 win over Watford in the title match.

Now back in English soccer as manager of Burnley, he is making more memories in the famous old competition.

His team's 4-2 win at Bournemouth didn't come as a big surprise, given Burnley is top of the Championship and only five places lower in the pyramid.

"I think you treat the FA Cup the same as the league," the former Bel-

gium international said. "We felt we wanted to do well in the competition."

In the other upset of the day, Forest was beaten at Blackpool 4-1.

World Cup returnees

Alexis Mac Allister and Harry Kane returned to English soccer after the World Cup in very different states of minds — one as a champion, the other distraught after a costly missed penalty.

They both slipped back into action seamlessly.

Mac Allister, who starred for Argentina in its run to the title in Qatar, was a halftime replacement for Brighton after his extended break back home to celebrate and scored twice in the team's 5-1 win over second-tier Middlesbrough in the FA Cup on Saturday.

Kane, the England striker who missed a late penalty in the loss to France in the World Cup quarterfinals, has been back for a while and has settled into a strong run of scoring form for Tottenham.

His fourth goal in four games came in Tottenham's 1-0 win over third-tier Portsmouth. It was Kane's 265th goal for Tottenham, one off the club record held by Jimmy Greaves.

Kane is still looking to win a first trophy in his career, with Tottenham last claiming a major piece of silverware in 2008.

AGENCIES VIA XINHUA