

Fruitful cooperation

Thai produce sees growing appetite of Chinese consumers

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**Germany shuts Russian consulates**

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**Dazzling display**

Tickets for over 400 productions available during film festival

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CHINA DAILY

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Green project

China's first offshore million-ton carbon storage project is put into operation on Thursday in the South China Sea. The project, serving the Enping 15-1 oil platform 200 kilometers southwest of Shenzhen, Guangdong province, is designed to capture and store more than 1.5 million metric tons of carbon dioxide, which is equivalent to planting nearly 14 million trees, according to the China National Offshore Oil Corporation.

MAO SIQIAN / XINHUA See story, page 3

Healthcare drive started for orphans in Africa

By MO JINGXI
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24,314

medical workers sent by China have treated over 227 million patients in Africa as of December last year.

Peng Liyuan, wife of President Xi Jinping, joined hands with the Organization of African First Ladies for Development to initiate a healthcare campaign for orphans in Africa ahead of International Children's Day, which fell on Thursday.

Under the initiative, representatives from Chinese embassies in African countries and Chinese medical teams sent to African countries will visit local orphanages or allied institutions to facilitate and conduct free physical check-ups. They will also bring the children care packages.

China is an everlasting friend and sincere partner of Africa, Peng said, noting that this year marks the 60th anniversary of China sending its first medical aid team to Africa.

Peng said that Chinese medical aid workers have actively provided assistance to local people in African countries and become "messengers in white" of China-Africa friendship.

She expressed hope that the campaign will bring warmth and care to African children, promote their well-being and contribute to building a China-Africa community

with a shared future in the new era. Monica Geingos, first lady of Namibia and president of the Organization of African First Ladies for Development, and other members of the body highly appreciated Peng's long-term concern and support for the development of welfare projects for African women and children.

The presidents, first ladies and senior officials of African countries who attended local activities of the campaign said they were sincerely grateful to China for its selfless help and valuable support to Africa for decades. They said they expected Africa-China friendship to advance further, so that the two sides could create a better future together.

Since China sent its first medical team to the Algerian city of Saida in 1963, a total of 24,314 medical personnel have treated more than 227 million patients in Africa as of December last year, according to National Health Commission.

Cooperation key to tech gains

Experts, officials point to risks posed to world economy by potential decoupling

By MA SI
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Greater international cooperation is needed to explore technological frontiers such as computer-brain interface technologies and artificial intelligence, which are widely seen as key future drivers of global economic growth, officials and experts said.

Highlighting that decoupling in crucial technologies will only slow down the world economy, they called on Chinese companies to have a problem-solving mindset and to accelerate the drive for breakthroughs in core sectors.

The comments came as AI is grabbing global headlines.

US company Nvidia became the world's first chipmaker with a market capitalization of over \$1 trillion on Tuesday morning amid surging demand for its AI chips. Meanwhile, Tesla CEO Elon Musk's brain-implant company Neuralink said last week that it had been given the green light for its first in-human clinical trial.

Foreign Ministry spokeswoman Mao Ning said on Thursday that China firmly opposes any actions by the United States to politicize and

weaponize economic, trade and technological issues.

These comments were in response to recent media reports quoting US Treasury official Paul Rosen as saying that new rules were under consideration which would restrict the flow of US investment and know-how to Chinese companies engaged in the fields of advanced semiconductors, AI and quantum computing.

But China is clear that partnership and cooperation is the only way forward if the world is to fully harness the potential offered by the technological revolution, according to experts.

This was expressed clearly by President Xi Jinping in his congratulatory message to the 2023 Zhongguancun Forum, which ended in Beijing earlier this week. Xi said in the message that China is willing to work with countries around the world to promote technological innovation to better benefit the people of all countries.

Wu Hequan, an academician at the Chinese Academy of Engineering, said international cooperation is vital to achieving scientific breakthroughs, and China and the US are

highly complementary to each other in AI.

US companies are advanced in fundamental science and underlying computer algorithms, while China has a big market and rich application scenarios, and its research and development prowess in AI is also growing, Wu said.

By 2022, China had secured the top position globally in terms of the number of patent applications for AI, according to the Ministry of Industry and Information Technology.

AI technology will usher in the next digital revolution after the internet and smartphones, experts said, with Goldman Sachs forecasting that generative AI could drive a 7 percent increase in global GDP, or almost \$7 trillion, over a 10-year period.

Nick Fowler, chief academic officer at Elsevier, a Netherlands-based academic publishing company, said there is enduring strength in the China-US research relationship, despite noise about the two countries decoupling.

The Field Weighted Citation Impact — a proxy measure of research quality — of China-US co-authored publications reached almost two, which is twice the world average, and higher than the performance of either China or the US alone, according to a report by Elsevier.

While Washington is imposing increasingly tighter restrictions on technology, China's central leadership is attaching greater importance to innovation-driven development.

Beijing and Shenzhen, a metropolis in Guangdong province, announced favorable policies this week to support the development of domestically developed AI chips, which are the key to the ongoing AI boom triggered by ChatGPT, an AI chatbot developed by the US company OpenAI.

Liu Qingfeng, chairman of Chinese AI company iFlytek Co, said, "Chinese companies must devote big, real money to research and development in fundamental science to achieve breakthroughs in AI."

So far, China has developed at least 79 AI large-language models, or rivals of ChatGPT, according to the Institute of Scientific and Technical Information of China.

When it comes to computer-brain interface technology, which enables a person to control an external device using brain signals, China is also making steady progress.

A team led by Duan Feng, a professor at Nankai University in Tianjin, completed the world's first interventional brain-computer interface experiment in a nonhuman primate earlier this month.

BUSINESSES BENEFIT FROM SERIES OF TAX, FEE REDUCTIONS

Measures help companies weather effects of COVID-19

By ZHANG YUE
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in-depth

With businesses in China rebounding from the effects of the COVID-19 pandemic since the start of this year, the nation's economic growth has accelerated.

Business owners — from manufacturing to services — are resuming production, and economic activities are up and running again, with the economy growing by 4.5 percent year-on-year in the first quarter, exceeding expectations.

A series of factors helped businesses survive three years of challenging times. For most

companies, fiscal policy aid has been urgently needed and consistently applied.

During this time, many enterprises — large and small — have been able to apply for tax relief and liquidity support under various preferential tax policies. They have used these funds to keep their payrolls stable, retain workers and resume production.

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Protests hit Florida



Hundreds gather to protest against Florida Senate bill 1718, which imposes restrictions on undocumented immigrants on Thursday, in Immokalee, Florida. Across the state on Thursday, workers didn't show up at construction sites, and tomato fields, while scores of restaurants and small businesses never opened their doors to protest the new state law. REBECCA BLACKWELL / AP

Turkish foreign policy unlikely to change

The victory of incumbent President Recep Tayyip Erdogan in the Turkish presidential runoff met societal needs at home and points to stable policies in foreign relations.

Erdogan, of the Justice and Development Party, also known as the AK Party, aligned his interests with Turkey's strongest nationalist party, the Nationalist Movement Party, which got 10 percent of the votes in the May 14 parliamentary elections.

He also aligned with Sinan Ogan, who had won 5.3 percent of the votes in the first round of presidential elections on May 14.

Erdogan was reelected with almost 28 million votes of the 54 million total, or around 52 percent,

WORLD WATCH
By Furkan Halit Yolcu

while opposition leader Kemal Kilicdaroglu of the Republican People's Party, received almost 48 percent of the votes, amounting to nearly 26 million in total. Considering most opposition members thought that Kilicdaroglu was going to be elected with 54 percent of the votes in the first round, it ended as quite a significant defeat.

Erdogan's other small partners included the New Welfare Party, Great Unity Party, Democratic Left and Free Cause Party — each of

which had picked up a small percentage of the parliamentary vote.

Kilicdaroglu of the CHP officially collaborated with the Good Party, which won 9 percent of parliamentary votes along with smaller parties — Felicity Party, Democrat Party, Democracy and Progress Party and Future Party.

Kilicdaroglu also unofficially received support from the Party of Greens and the Left Future, the Turkish Communist Party and other small partners. The Victory Party also backed Kilicdaroglu, not Erdogan, in the runoff stage, despite supporting Ogan in the first round.

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PAGE TWO

Taxation: Crucial support measures welcomed

From page 1

Zhuo Changli, 59, head of an agency in Jinan, Shandong province that specializes in domestic services and cares for the elderly and children, said tax and fee relief has been a crucial policy support measure for the business since 2020.

In 2019, just two months before COVID-19 emerged, the Ministry of Finance issued a circular announcing increased value-added tax, or VAT, deductions for community services such as housekeeping, child care, and care for the elderly.

This meant that Zhuo's agency could save costs and that its financial pressure was greatly relieved.

"Looking back, the policy was a near-lifesaver for our company and the entire domestic services industry," Zhuo said.

For the past three years, Zhuo's agency has used funds gained from a series of tax cuts to sustain its operations and keep its payroll stable, particularly during the pandemic.

Moreover, tax cuts introduced from 2020 to last year to assist small businesses helped keep the agency operational. Last year, it enjoyed a tax cut of about 3.06 million yuan (\$439,722), equivalent to 25 percent of its profit for the year.

Li Yucheng, director of the government fund settlement center in Jinan, said: "Local fiscal and taxation departments have worked in synergy and innovated preferential tax policy implementation. They've also launched a raft of measures to facilitate tax payment to ensure that such tax and fee breaks can benefit businesses directly."

In January, figures released by the Ministry of Finance showed that tax and fee cuts, tax refunds and deferred payments last year totaled 4.2 trillion yuan, including 2.4 trillion yuan in VAT tax rebates — the largest amount in recent years.

Since mid-2020, when COVID-19 started to affect businesses, particularly small and micro ventures, China has issued a range of fiscal policy support measures to ease their cost burdens.

Tax and fee reductions intro-

duced from 2020 to last year totaled about 7.8 trillion yuan.

The reductions included postponed tax payments for micro, small and medium-sized enterprises.

Tax cuts for self-employed businesses totaled 1.02 trillion yuan.

Last year, a refined VAT measure was introduced nationwide, offering support mainly for manufacturing businesses experiencing supply and production chain disruption, rising costs for bulk commodities, and problems due to surging cases of COVID-19.

Effective method

Local authorities and business owners are now benefiting from such policies.

Yuan Peiquan, deputy head of the Shandong Provincial Department of Finance, said: "Tax and fee reductions have proved a direct and effective way of helping enterprises ease their financial burdens. They've helped nurture businesses and have cultivated sources of tax revenue."

Last year, Shandong realized 297.6 billion yuan in deferred tax and fee cuts. Local VAT credit rebates totaled 172.2 billion yuan.

Tax breaks, especially VAT credit rebates, help manufacturing businesses ease their liquidity burdens more directly, as they are eligible to retain rebated tax credits and use them to resume production.

Over the past three years, authorities below national level have helped such businesses streamline their tax reduction and rebate procedures so that they can obtain liquidity as soon as possible.

Song Yulong, head of the finance

department at Shandong Xin Shidai Pharmaceutical Co, said the business enjoyed 221 million yuan in tax and fee cuts last year, including about 6.75 million yuan in VAT credit rebates.

"As a manufacturing and research-centered company, last year was particularly hard for us, as the pandemic kept disrupting production. Such a large amount of liquidity not only helped us surmount these challenges, but also enabled us to expand our investment in scientific research," Song said.

Some areas have tried every way possible to ensure that funds received as a result of tax cuts and tax credit rebates reach businesses as quickly as possible.

Sun Shufeng, Party secretary of the taxation administration in Zouping, Shandong, said that last year, the administration worked to streamline the online system to help business owners apply for tax rebates.

In February, a survey by the administration showed that 97.6 percent of business owners said the tax cuts and rebate policies were conducive to their companies' growth. The majority of these ventures are manufacturing businesses.

China's tax breaks this year are slightly different compared with those in recent years.

Wang Daoshu, deputy commissioner of the State Taxation Administration, said on April 5 that businesses are likely to receive tax and fee cuts totaling more than 1.8 trillion yuan this year, down from 4.2 trillion yuan last year.

In March, this year's Government Work Report stressed that efforts are needed to improve preferential tax and fee policies, and "extend and further refine policies on tax and fee cuts, tax rebates, and tax deferrals as the situation requires" — a term slightly different from the large-scale tax and fee

cuts promoted in recent years.

Shi Yinghua, a professor at the Chinese Academy of Fiscal Sciences, said fiscal sustainability and businesses' recovery are two major reasons for the change.

"Large-scale tax and fee cuts were mostly needed when the economy faced acute downward pressure and businesses were having a particularly hard time because of COVID-19. During such times, the policy effect of tax breaks was clearly apparent, as they kept growth stable and sustained jobs," she said.

"Yet with such large-scale tax breaks, fiscal spending is also amplified. It will be challenging to maintain such a brisk pace for tax cuts in the long run, as fiscal sustainability is a key factor to consider. This year, with the optimization of COVID-19 containment, businesses are recovering gradually and their revenues are picking up. Preferential tax cuts will likely benefit businesses and financial sustainability."

Fiscal sustainability is a key factor to watch after three years of sizable tax and fee cuts, especially as COVID-19-related fiscal spending has risen significantly.

Finance Minister Liu Kun said in a statement on the ministry's website that great uncertainty still shrouds fiscal revenue, and there is still an acute imbalance between such revenue and spending.

Events in the first quarter indicate that businesses may still face mixed fortunes this year, as the recovery process can be bumpy.

Figures from the National

Bureau of Statistics show the nation's manufacturing sector expanded for the third consecutive month in March. The official purchasing managers index, or PMI, for manufacturing stood at 51.9 for that month — above the 50-point mark that separates growth from contraction.

Yet manufacturing unexpectedly shrank afterward, with official manufacturing PMI falling to 49.2 in April and to 48.8 in May, back in contraction territory, NBS figures show. Profits at industrial firms also slumped in the first four months of 2023 according to NBS data, as businesses continue to face margin pressures and moderate demand.

Zhao Qinghe, a senior statistician at the bureau, said, "Enterprises still face problems such as insufficient market demand, tight cash flow and high operating costs," — an indication that the situation remains challenging.

Robin Xing, chief China economist at Morgan Stanley, believes that this year, fiscal expenditure growth could still strengthen due to a cyclical recovery in revenue. The changing scale of tax cuts indicates that overall macroeconomic policies are likely to become more targeted toward those who need the incentives most.

"Since the start of this year, China has seen a phasing out of tax cuts, particularly in scale. Macroeconomic policies have become more recuperative, facilitating the opening up of the economy," he said.

Such a process can be long and challenging, he added, so a pragmatic approach is needed to recovery, and incentives aimed at businesses should be stable and sustainable.

Shi said that this year, tax cuts will be targeted and tailored. They will lean toward vulnerable smaller business communities that experienced more hardship than others during the pandemic, as well as technology and innovation businesses, which are part of the country's high-quality development drive.

Such moves are already in the pipeline. On March 24, an executive meeting of the State Council decided that the policy allowing enterprises entitled to an additional pretax deduction of 75 percent for research and development expenses to apply for a 100 percent reduction will continue as part of long-term institutional arrangements.

Zhu Zhongming, vice-minister of finance, said, "Turning the previous preferential policy into an institutional arrangement without setting a deadline will boost tech-centered companies' confidence in investing in research, and better anchor expectations of innovation-based firms."

"It means that from this year on, businesses can be freed from the constant concern that the pretax deduction policy may end. This will help them plan for greater investment in innovation at the earliest possible date, and embrace China's high-quality growth with research outcomes."



Beijing tipped to remain preferred destination for foreign capital

By XINHUA

Experts have tipped Beijing to continue being an appealing destination for foreign investment by actively attracting sci-tech innovation projects and talent, while steadfastly striving to enhance its business environment.

Executives from foreign-funded companies, investors and government officials gave the Chinese capital — a leading hub for scientific and technological innovation — this vote of confidence at the 2023 Invest Beijing Global Summit.

The summit was held on the sidelines of the 2023 Zhongguancun Forum, held from May 25 to 30 in the city's Zhongguancun innovation hub, known as "China's Silicon Valley."

During the summit, domestic and foreign companies signed a series of investment deals worth

more than 60.8 billion yuan (about \$8.61 billion), covering 39 projects in Beijing's high-tech sectors such as intelligent connected vehicles, medicine and health, and intelligent manufacturing.

A total of 152 investment projects involving enterprise financing, park cooperation, building cooperation, and land financing were also announced during the summit, with a total investment of 143.4 billion yuan.

Hubertus Troska, member of the board of management at Mercedes-Benz Group responsible for Greater China, said Beijing has the largest number of regional headquarters of Fortune 500 enterprises and gives priority to development in fields such as services trade, technological innovation, and intelligent manufacturing.

In the past 10 years, Mercedes-Benz Group and its local partners

have invested more than 100 billion yuan in China, focusing on expanding local production capacity, strengthening local research and development capability, and building the automotive industry chain, among other key fields.

"I'm confident that Beijing, with its clear commitment to continuing with China's reform and opening-up policy and constantly improving business environment, will remain an attractive choice for foreign investors," said Troska, who has lived in the city for more than a decade.

Carl-Alexander Scheef, vice-president of Bayer Healthcare Co, China, said Beijing's efforts in driving reform and opening-up, along with preferential policies, encouraged Bayer to become one of the first foreign-funded enterprises to settle in the city.

Local government officials

have visited the company's factory in Beijing several times to better understand its development needs. The launch of China (Beijing) Pilot Free Trade Zone in September 2020 has also helped Bayer with a resilient supply chain and speedy customs clearances, giving the company more confidence in its future development in Beijing, Scheef said.

Last year, Bayer invested 40 million euros (about \$43 million) in setting up four new packaging production lines in China, increasing its capacity by at least 40 percent. "It's a big investment, because we really believe in the growth of the Chinese market," Scheef added.

Sheng Qiuping, vice-minister of commerce, said: "Beijing is one of the first pilot cities in China to carry out the construction of international consumer center cities and the cultivation of an innovative business environ-

ment. We sincerely welcome foreign-funded enterprises to carry out investment in Beijing and continuously expand fields of cooperation."

Beijing has become a hot spot for foreign investment in China. The Beijing Municipal Bureau of Statistics said actual utilized foreign direct investment totaled \$17.41 billion last year, a year-on-year rise of 12.7 percent. Of this total, \$6.98 billion was spent on scientific research and technology services.

The city has also become a prominent hub for sci-tech innovation, as it is home to nearly 100 universities and more than 1,000 research institutes. It holds third position globally in terms of the number of unicorn companies — those valued at \$1 billion or more. Beijing has also secured top spot in the Nature Index global science city rankings six consecutive times.

The Zhongguancun innovation hub has attracted more than 300 multinational companies to set up regional headquarters and research centers, and over 130 Fortune Global 500 companies to establish branch offices.

Zhou Kui, partner at investment company Sequoia China, said, "Beijing has long attached great importance to the development ecosystem of the venture capital industry, providing sufficient talent reserves for cutting-edge sci-tech innovation and rich scenarios for technology application."

A total of 50 companies based in Beijing that Sequoia has invested in, 50 have completed initial public offerings, and 43 have become unicorn companies.

"We firmly believe that more achievements and leading enterprises with global influence will be seen in the future in Beijing," Zhou added.

TOP NEWS

Amazon workers walk out



Amazon employees and their supporters gather on Wednesday during a walkout protest against recent layoffs, a return-to-office mandate and the company's environmental impact, outside the company's headquarters in Seattle, Washington. JASON REDMOND / AFP

Offshore carbon capture project begins operation

Facility expected to store 300,000 metric tons of carbon dioxide each year, expert says

By ZHENG XIN
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The operation of China's first offshore carbon capture and storage demonstration project will further facilitate China's carbon peak and neutrality goals, as oil companies' step up research and investment to help them become sustainable in the long run, industry experts said.

The demonstration project began operations on Thursday in the eastern waters of the South China Sea. It will help fill the gap in China's offshore carbon capture, treatment,

injection and storage technology, said its operator China National Offshore Oil Corporation.

The facility is expected to store 300,000 metric tons of carbon dioxide each year, and is designed to capture and store up to 1.5 million tons of carbon dioxide produced during the process of oilfield development, said Deng Changhong, deputy general manager of the Shenzhen Branch of CNOOC.

Carbon dioxide captured during oilfield development was injected 800 meters under water on Thursday, close to the Enping 15-1 platform,

Asia's largest offshore oil production platform, it said.

The platform, put into operation at the end of last year, has a daily peak crude production capacity of 7,000 tons. However, the amount of carbon dioxide produced during the oilfield development remains high. If the carbon dioxide is treated in a conventional way it will not only corrode offshore platforms and pipelines, but also increase carbon dioxide emissions, CNOOC said.

Luo Zuoxian, head of intelligence and research at the Sinopec Economics and Development Research Institute, said technological breakthroughs in carbon capture and storage are among the most effective ways for China to achieve

deep cuts in emissions, offering a way to reduce emissions in sectors that are hard to decarbonize.

Oil companies across the globe are already stepping up research and investment in this area. This will not only expand their own businesses but also help them become sustainable in the long run, he said.

Zhu Yi, a senior analyst at Bloomberg Intelligence, a market monitor, said carbon capture and storage is an essential part of the solution for China to achieve a carbon peak by 2030 and carbon neutrality by 2060. The country's commitment to peak carbon dioxide emissions will motivate various sectors to upgrade production lines and techniques, Zhu added.

According to a report released by energy company Shell, China, with an estimated 2,400 gigatons in storage capacity, has significant geological potential for storing carbon, second only to the United States.

CNOOC said the company will continue to increase investment in scientific research and continue to promote the green development of offshore oil and gas fields.

Election: Turkish political sphere more complex than just economic parameters

From page 1

Erdogan's coalition only inducted the New Welfare Party and the Free Cause Party, which hold contradictory views on social and women's rights as well as issues such as gambling and the death penalty.

Kilicdaroglu's coalition included former compatriots of Erdogan's — his former prime minister Ahmet Davutoglu of the Future Party and former deputy prime minister Ali Babacan of the Democracy and Progress Party.

The rivalry between Davutoglu and Babacan is deep, and it almost derailed their support for Kilicdaroglu. Their parties only backed him two months before the presidential election.

In March, at the outset of the presidential campaign, Meral Aksener — the leader of the Good Party — left the opposition coalition. She rejoined the six-party alliance days later but the damage was done.

Since then, the opposition did not stand together to fight the election. Aksener was persuaded to rejoin on the condition that Istanbul Mayor Ekrem Imamoglu and Ankara Mayor Mansur Yavas would be vice-presidents, but this hurt the other partner parties, which had their eyes on these roles.

Why did the opposition expect such a victory when most of the polls portrayed a very close call for Erdogan and Kilicdaroglu, even suggesting a runoff?

The opposition seems to have succumbed to the idea that economics was more than enough to ensure a landslide in elections. However, the Turkish political sphere is much more complex than economic parameters such as inflation and interest rates.

Most of the opposition was heartbroken and angry, since they could not snatch a first election victory in over two decades. Some opposition members channeled this anger toward Kilicdaroglu, asking him to resign immediately. Others simply insulted Erdogan's voters and claimed that they were illiterate, ignorant and blind.

However, a very small section of the opposition asked the right question, about what they did wrong.

One of the opposition's main mistakes was relying on

Most of the opposition was heartbroken and angry, since they could not snatch a first election victory in over two decades.

February's deadly earthquake and economics to defeat Erdogan. Second, no clear-cut political and economic strategies were made public to solve the issues that Turkish citizens are facing. People were not convinced that the opposition would be able to attract capital and reduce the economic pressure of daily life.

There are very important insights to be generated from this election, for a better understanding of Turkish society.

First, it sincerely cares about nationalism and security, both internally and externally.

Second, voters do not actually want to see a party that has embedded relations with terrorist organizations such as the PKK and YPG.

Third, Turkish society wants to protect its conservative fabric and does not have an open-door policy for LGBT demands.

Fourth, the individuals do not want to return to a Turkey where the state asks for funding from international fund providers such as the International Monetary Fund.

Fifth, and maybe most important, society demands a very strong character to represent them in the international arena.

All these causes and conditions have been the main course of action for the People's Alliance that supported Erdogan, and it seems to have paid off very efficiently.

Regarding international affairs, there is not going to be a drastic change in Turkish foreign policy, as Erdogan remains president. However, Turkey will be dealing with severe economic pressure from the West as payback for this victory. That is almost certain.

The author is a research assistant at the Middle East Institute of Sakarya University in Turkey. The views do not necessarily reflect those of China Daily.

Wuzhou adds to luster as synthetic gems hub



Editor's note: This series of stories looks at local enterprises in specialized sectors that have a share in global markets.

By ALEXIS HOOI and ZHANG LI
in Wuzhou, Guangxi

Like many of his fellow workers, Cen Jiantu chose one of the city's highest-paying sectors — the synthetic gems industry — when he entered the job market two decades ago.

The sector "offered the best prospects", the 39-year-old gem cutter said. "We could each earn 500 yuan (\$70) to 600 yuan a day back then, which is what some migrant workers in other jobs would make in a month."

The reputation of Wuzhou, a city in South China's Guangxi Zhuang autonomous region, as the global hub of synthetic gems remains as bright as ever.

Synthetic gems are lab-made stones that look and feel like their natural counterparts, such as diamonds, rubies and emeralds, but at a fraction of their price. The industry rolled out in Wuzhou four decades ago, leveraging the city's comprehensive logistics network, ample labor supply and other advantages.

"Our stones can contain fewer

“This is a technology-based sector. Our improvements in machinery and materials helped reduce costs. That means the market, with prices that can be 10 percent of what they used to be, is at the optimal attraction level, taking the industry to new heights.”

Wuzhou is home to 70 percent of global synthetic gemstone production. The number of stones processed, distributed and traded in the city last year exceeded 100 billion, with the comprehensive output value reaching about 10.7 billion yuan, according to the latest industry figures.

Jiang Liangqiong, director of the city's gemstone industry development center, said that "from simple processing to the establishment of machinery-led factories, from dependence on raw materials and equipment imports to industry localization and international trade, Wuzhou has become the world's largest synthetic gemstone processing base."

"In recent years, with the advancement of science and technology fueling the increase in lab-grown products, the popularity of synthetic gemstones continues, with enterprises' inventories striving to meet demand," she said.

With young consumers forming a major segment of the market, there are "unprecedented new opportunities for the development of synthetic gemstones offering competitive prices and high quality", Jiang said.

Policy support for small and medium-sized enterprises, in exploring the international market, pursuing product certification, obtaining overseas patents and trademark registration, establishing research and development, and training talent, will help the indus-

try grow further, Jiang said.

The sector has also seen significant improvements in green, sustainable production with improved technology, reducing any environmental impact, she said.

"We continue to minimize any water, noise and other forms of pollution. The challenge now is to keep upgrading our production, processes and management. The public and private sectors can work together to further meet international industry standards," Jiang said.

Wuzhou Mayor Zhong Changzi said the city is rolling out a gemstone industrial park to improve support for related services, help guide enterprise development, enhance technological innovation, product innovation capabilities and quality, and create leading local brands.

"With the diversification of consumer demand, the rise of new retail business models and the gradual emergence of millennials as a major force of China's consumer market, synthetic gemstones will usher in new opportunities for development," she said.

Rao Guqiang, who is in charge of Xuping Jewelry's Wuzhou operations, said the city is well-placed at the center of the industry.

"We supply to the world through our major distribution channels via cities like Hong Kong and Shanghai," said Rao, whose group exports about 300 million gems every year to 100 countries and regions.

"We meet demand according to all specifications. From wholesale buyers to fashion designers, everyone in the industry, at home and

abroad, gets drawn here. We're certainly looking at a new high," he said.

Zhong, the Wuzhou mayor, said that efforts must be made to take advantage of "major strategic opportunities" offered by countries participating in the Regional Comprehensive Economic Partnership agreement, the world's largest free trade pact, and the Belt and Road Initiative, and to "vigorously develop cross-border e-commerce and extend overseas sales channels".

Huang, the Wuzhou Holycome Jewelry general manager, said digital forays into areas such as e-commerce and livestreaming to complement traditional industry exhibitions will form an "online-offline combination that can help Wuz-



A visitor checks out synthetic gems at the 18th Wuzhou Jewelry Show and Festival in Wuzhou, Guangxi Zhuang autonomous region, in December 2021. YANG ZHIXIONG / CHINA NEWS SERVICE

hou take up to 90 percent of the global market."

Those prospects bode well for Cen, the gem cutter, who has trained and managed more than 100 specialists in five factories in the city.

It takes at least three to four years for each of these specialists to learn the basics of the trade and to achieve the perseverance, patience, steady hands and keen eyes needed for cutting, polishing and finishing products.

"We have very good machinery now to help us, but experience and expertise are still paramount in producing a gem that shines flawlessly," he said.

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BUSINESS

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May plant output up, snapping recent lull

By OUYANG SHIJIA

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China's factory activity in May expanded for the first time in three months, driven by an upturn in production and other factors, a private survey showed on Thursday.

Meanwhile, as manufacturers in China still face pressure and difficulties such as weak demand, a more challenging external environment and slumping profits, there is a need for more policy stimulus measures to boost domestic demand and stronger support for smaller businesses, analysts said.

The Caixin China General Manufacturing Purchasing Managers' Index — which gauges operating conditions in the sector — rose from 49.5 in April to 50.9 in May, showing signs of improvement in the area, media group Caixin said on Thursday.

A PMI reading above 50 signifies expansion, while one below 50 signals contraction.

Wang Zhe, a senior economist at Caixin Insight Group, said the manufacturing PMI returned to expansionary territory as both supply and demand improved in May.

The Caixin report showed that the subindex for manufacturing output grew significantly in May, logging the highest level since June 2022. The gauge for total new orders recorded the second-highest reading since May 2021 as surveyed businesses reported more clients and demand.



An employee welds equipment at a plant in Luoyang, Henan province. HUANG ZHENGWEI / FOR CHINA DAILY

Caixin said external demand remained stable in May, with the subindex for new export orders rising marginally.

Referring to the 12-month outlook for output, manufacturers polled by Caixin remained optimistic. However, business confidence for the coming 12 months slipped to a seven-month low in May, though it remained above 50.

Meanwhile, firms maintained a cautious approach to hiring, with the subindex for employment shrinking in May at the fastest rate since February 2020.

Despite the improvement in China's factory activity, Wang said China's manufacturing sector experienced a patchy recovery.

"The divergence points to the fact that current economic growth lacks internal drivers and that market entities lack sufficient confidence, highlighting the importance of expanding and restoring demand," Wang added. "Currently, stabilizing employment, increasing

incomes and bolstering expectations through a proactive fiscal policy should be prioritized given the dire job market and mounting deflationary pressure."

Data released by the National Bureau of Statistics on Wednesday offer the latest official snapshot of the rising pressures facing the economy, as the official PMI for China's manufacturing sector fell to 48.8 in May from 49.2 in April.

The country's official composite PMI, which includes both manufacturing and nonmanufacturing activity, came in at 52.9 in May compared with 54.4 in April, the NBS said.

Zhao Qinghe, a senior NBS statistician, said Chinese businesses came under pressure in May, and more efforts should be made to consolidate the foundation for economic recovery.

While China is on track for recovering with improvement in some key economic indicators like consumption, insufficient demand remains the key problem facing the

continued recovery trend as well as the operation of enterprises, said Wang Yiming, vice-chairman of the China Center for International Economic Exchanges.

Wang called for enhancing support to spur consumption and boost consumer confidence.

Notably, Wang mentioned that private firms, which are mainly small firms, play a key role in providing most urban employment in China, and more efforts should be made to increase support for hard-hit enterprises, including further easing burdens for micro and small businesses and boosting financial support.

Wang's views were echoed by Li Xiaochao, former deputy head of the NBS, who highlighted the necessity for near-term policies to strengthen consumption and avoid the risk of a downward spiral.

Li said it is advisable for the government to step up macroeconomic policy support to shore up growth, including monetary policy easing.

Beijing points to importance of US biz ties

Commerce chiefs meet in Washington to smoothen bilateral trade relationship

By ZHONG NAN

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China and the United States agreed to continue to strengthen their communication channels and engage in discussions to identify potential areas of cooperation, said the Ministry of Commerce on Thursday.

The ministry issued the statement after Chinese Commerce Minister Wang Wentao met with US Commerce Secretary Gina Raimondo in Washington and US Trade Representative Katherine Tai in Detroit during the 29th APEC Trade Ministers' Meeting in late May.

The US CHIPS and Science Act of 2022, semiconductor industry policies and export controls are the main economic and trade concerns for the Chinese side, and these issues were raised by Wang during his talks with the US side, said Shu Jueting, a spokeswoman for the ministry.

The US CHIPS and Science Act of 2022 prohibits companies from expanding their advanced semiconductor manufacturing in China for 10 years after they receive subsidies to build US plants.

During the talks, the two sides had in-depth exchanges on these topics and agreed to continue discussions in the future, Shu said at a weekly news conference in Beijing.

She said both sides recognize the significance of the Sino-US economic and trade relationship. They exchanged views on their respective concerns regarding economic and trade issues and explored potential areas of cooperation.

China and the US should work together to effectively manage their differences and jointly uphold and deepen pragmatic economic and trade cooperation between the two countries, said Shu, stressing that the cooperation will benefit both countries and their people, as well as promote global economic growth.

At a summit organized by the China Council for the Promotion of International Trade in Beijing last week, Craig Allen, president of the US-China Business Council, said that his organization looks forward to advancing the healthy growth of China-US business ties through constructive dialogue and engagement in the coming years.

All related parties should work together to ensure the two countries pursue a path that does not allow the competitive concerns between them to outweigh the benefits of cooperation, said Allen.

Michael Hart, president of the American Chamber of Commerce in China, said there will be abundant opportunities for collaboration, in particular in the fields of agriculture, aviation, healthcare and automotive, in the years ahead. It is also no surprise that US companies in the consumer sector are still expanding in China, given the size of its market.

"During our meeting with the National Development and Reform Commission, we were heartened to hear that there continues to be a valued role for US companies to contribute to the development of the Chinese economy," said Hart. "Many of our member companies were interested to learn more about specific new opportunities for participation, whether in green energy or electric vehicles."

Upbeat about the Chinese market, US carmaker Tesla announced in April that it will build a new factory in Shanghai to manufacture its energy-storage product Megapack.

Supported by its continued investment in product innovation, digitization and supply chains in China, US chain Starbucks Coffee Co also announced earlier this week that it plans to have up to 9,000 stores across the country by 2025.

Minister Wang also attended the ministerial meeting of China and members of the Digital Economy Partnership Agreement in Detroit last week, said the Ministry of Commerce.

Wang highlighted China's strong commitment to joining DEPA. Since the establishment of its DEPA working group, the Chinese government has collaborated effectively with member countries, achieving notable progress.

Currently, multiple regions within China are proactively engaging with DEPA and are exploring cooperation in various fields. Some projects have made positive progress. China looks forward to enhancing practical cooperation with DEPA members while advancing accession negotiations, with the aim of facilitating the early implementation of more projects, he added.

HIGHER GROUND

June 18 gala off to roaring start for nation's retailers

By FAN FEIFEI

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Chinese consumers' passion for online purchases has been sparked again with this year's June 18 shopping carnival, which more resembles a shopping month, as related online purchases kicked off at 8 pm on Wednesday, with major e-commerce platforms accelerating efforts to offer steep discounts and shopping coupons and use livestreaming promotions to boost sales.

Industry experts said the mid-year online shopping extravaganza plays a vital role in stimulating consumers' purchasing appetites, promoting the recovery of consumption and shoring up the economy amid downward pressure and external uncertainties.

E-commerce giant JD, which initially created the June 18 campaign, said the number of brands that witnessed sales revenue surpass 100 million yuan (\$14.0 million) within the first 10 minutes surged 23 percent year-on-year, while the transaction volume of nearly 50 percent of small- and medium-sized enterprises skyrocketed more than 200 percent on a yearly basis.

The turnover of Apple's products on JD surpassed 100 million yuan in just one second, while sales of



An advertisement for the June 18 shopping carnival seen on a street in Beijing. PROVIDED TO CHINA DAILY

smartphones from Xiaomi, Honor, Oppo and Vivo increased more than 100 percent year-on-year within the first 10 minutes. In addition, the transaction volume of JD's cross-border platform JD Worldwide in just five minutes exceeded total sales of the first two hours from last year.

Xin Lijun, CEO of JD retail — the retail unit of JD — said the company has issued more discounts and vouchers for the June 18 shopping festival compared with previous years. "We will launch more products and provide easier and more convenient

shopping experiences for consumers."

Meanwhile, Apple hosted its first livestreaming event at its official flagship store on Alibaba Group's Tmall at 7 pm on Wednesday, as the US tech company steps up its push to offer substantial discounts on its main products including smartphones and smartwatches to drum up sales in the Chinese market.

Online discounter Pinduoduo has kicked off its June 18 promotional event, vowing to distribute shopping coupons worth 5 billion yuan covering a wide range of categories such as smartphones, home

appliances, cosmetics, fresh products, maternal and infant goods as well as apparel.

The mid-year promotion gala has further stimulated consumers' purchasing appetites and boosted the recovery of the economy, said Wang Yun, a researcher at the Academy of Macroeconomic Research, which is affiliated with the National Development and Reform Commission.

Wang expects China's consumer sector to maintain growth momentum in the second quarter, with the overall growth rate reaching more than 6 percent in 2023, adding that more efforts should be made to stabilize employment and improve household incomes.

As livestreaming becomes the new normal for retail practices in China, this year's June 18 event is set to be a grand platform where business executives and online influencers attract customers through targeted narratives for brands and products, said Mo Daiping, a senior analyst at domestic consultancy Internet Economy Institute.

Mo said that following previous seasons of glitzy strategies, companies are taking a more pragmatic approach this time, offering an array of coupons and discounts to customers, with the promotional events becoming simpler.

Luxury watchmaker says sales picking up 'nicely'

By ZHU WENQIAN

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Jaeger-LeCoultre's sales growth in China has been steady this year after the country optimized its COVID-19 measures, the Swiss luxury watch brand said, with an upswing in business performance, especially during key festivals, fueling its continued investments in the country.

Jaeger-LeCoultre said Generation Z, or those born in the mid- and late-1990s and into the 2000s, has become an important consumer group in China. Young Chinese, besides using digital watches as a tool, tend to buy traditional timepieces to



Catherine Renier

express their emotions and slow the pace of time, even as they keep abreast of the latest technology, the Swiss brand said.

The company said sales performance was positive in China this year, especially during the Chinese Lunar New Year, and May 20 (a date that sounds like "I love you" in Chinese) as well as other festive occasions.

China is one of its top five markets globally in terms of size.

Both men and women have bought its products equally, and that is something the company cherishes, it said.

"China is a very important market and we have invested a lot, and it is giving us a great response. It has been a bigger focus for us and we will continue to invest. Last year was an up-and-down year, but we have come back to normal and the

business has picked up nicely," said Catherine Renier, CEO of Jaeger-LeCoultre.

"I'm very confident in our industry as a whole, and we will continue to invest in innovation and new products in China. It's going to be a busy year," she said.

By 2025, China will become the world's largest luxury goods market and Chinese consumers are likely to make up nearly half of global spending in the sector, a report by consultancy Bain & Co showed.

Jaeger-LeCoultre said upgrading the physical store experience has been its focus. It opened its flagship store in Shanghai last year, and organized some immersive activities, such as watchmaking classes.

The company plans to engage more consumers in a number of Chinese cities, and is currently launching a campaign in Chengdu, Sichuan

province in Southwest China.

Yet, its primary goal is not only expansion, but also upgrading customer experiences, the Swiss watchmaker said.

During the pandemic, the company further developed its online business, such as increasing video engagement, and invested heavily on its website, but online sales have been a relatively small part of its operations.

The company is also marketing more through social media platforms to target young consumers.

Meanwhile, Jaeger-LeCoultre is celebrating its 12th year of partnership with the Shanghai International Film Festival, which will be held between June 9 and June 17.

The Jaeger-LeCoultre Glory to the Filmmaker Award at the festival honors filmmakers for their cinematic achievements.

Briefly

PBOC adds liquidity via reverse repos

China's central bank continued to inject funds into the financial system through open market operations on Thursday. The People's Bank of China said it has conducted 2 billion yuan (\$281.83 million) of seven-day reverse repos at an interest rate of 2 percent. The move is aimed at keeping liquidity reasonable and ample in the banking system, the central bank said.

Construction begins at tire factory project

Cooper Tire & Rubber Co, a subsidiary of US tire giant Goodyear Tire & Rubber Co, on Wednesday started construction of the second phase of its factory in Kunshan of East China's Jiangsu province. Once completed, the new project, valued at \$200 million, is expected to produce 2.6 million radial tires for passenger vehicles every year. This will bring the total annual output value of Cooper's Kunshan company to over 2 billion yuan. A high-standard green workshop will be built to produce tires entirely made of recyclable materials, which is expected to help Cooper slash the emission of

greenhouse gases.

Waterway freight volume up

China's waterways cargo transport expanded steadily in April, with total freight volume jumping 12.4 percent year-on-year, official data showed. A total of 780 million metric tons of cargo were transported through waterways in the country last month, according to the Ministry of Transport. During the first four months of the year, China's waterways handled 2.82 billion tons of cargo, up 7.3 percent from the same period last year.

Courier sector handles more parcels

As of May 31, China's courier sector saw its delivery volume exceed 50 billion parcels so far this year, mirroring the country's economic vitality, according to the State Post Bureau. The milestone was achieved 155 days earlier than in 2019, prior to the outbreak of the COVID-19 pandemic. The figure was also achieved 27 days earlier than in 2022, data from the SPB showed.

XINHUA — CHINA DAILY

BUSINESS



Visitors check out Schneider Electric's products during the fifth China International Import Expo in Shanghai in November. PROVIDED TO CHINA DAILY

Schneider Electric to further tap China's green opportunities

French company plans more resources to support nation's high-quality growth

By ZHONG NAN
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With China entering a new era of green and innovation-led growth, Schneider Electric SE, a French multinational company specializing in energy management, will allocate more resources to growing electrification and digitalization-related businesses in China given the country's all-round progress toward high-quality development, said a senior executive.

China's focus on digitalization and sustainability with an economic return is complementary to Schneider Electric's growth strategy, said Chris Leong, chief marketing officer and member of the group's executive committee.

With Schneider Electric's expertise in energy management and automation, its "electrification plus digitalization equals sustainability" formula and solutions can contribute greatly to China's industry upgrade and dual carbon goals — reaching a carbon dioxide emissions peak by 2030 and achieving carbon neutrality by 2060, said Leong.

She said the formula is applied in

various industries around the world and has proven to be the right path. One example is the research and development facility employing 5,000 workers that Schneider Electric opened in Grenoble, France last year.

The facility, called IntenCity, is fully equipped with Schneider Electric's technologies and solutions covering planning, building, operation and maintenance. It consumes 37 kilowatt-hours per square meter each year, nearly 90 percent less than the average building in Europe, using rooftop solar panels, on-site wind turbines and digital applications to generate, manage, share and coordinate energy with its community micro-grid.

The company has also assisted the industrial park in the Lingang Special Area of China (Shanghai) Pilot Free Trade Zone in achieving active energy management, access to renewable energy and improved operational efficiency with lower carbon emissions.

Supported by advanced solutions, the park is able to cut 60 percent of its monthly energy costs and expects to save 1.1 million kWh of electricity annually, accelerating its

transformation toward a green and low-carbon industrial park.

"By strategizing, decarbonizing and digitalizing, we believe that current technologies not only improve efficiency and save costs but also cut carbon emissions. This will generate profits for companies and benefit society at the same time," Leong said, adding that more customers are willing to pay for green products since Schneider Electric already uses technologies to help reduce carbon emissions by 30 percent to 90 percent across various industries, from manufacturing and building to data centers and grids.

As many users may be concerned about their return on investment, Leong said that the average investment payback period, based on Schneider Electric's experience, is around three to four years.

"When a company has already received a return on its investment, it can continue to save more energy costs, reduce carbon emissions and improve its sustainable operations, which can bring green value to users and society," she noted.

Operating in China for 36 years, Schneider Electric has grown from a joint venture factory to one with 22 factories, seven distribution centers and five research and development centers across the country, with a more than 90 percent local

purchase rate. China has become the French company's second-largest market worldwide.

Highlighting China's massive market, sophisticated industrial system, strong supply chain competitiveness and improved business environment, Leong said the group will continue to increase its expenditure in the country to strengthen its "China Hub" which comprises talent, innovation, supply chains and an ecosystem.

For example, after opening an automation R&D center in Wuxi, Jiangsu province in March of this year, Schneider Electric currently operates five innovation centers with over 2,000 engineers across China, one of which focuses on software development to help the company maintain and reinforce its competitiveness.

Despite the cautious global attitude toward foreign direct investment, China is expected to become more attractive to foreign companies this year due to its wider opening-up policies and anticipated economic rebound, said Wei Jianguo, vice-chairman of the China Center for International Economic Exchanges.

China's actual use of FDI grew by 2.2 percent year-on-year to 499.46 billion yuan (\$70.2 billion) in the first four months of 2023, data from the Ministry of Commerce showed.

At-home services find traction among Gen Z

By ZHENG YIRAN
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Door-to-door (DTD) services have shifted from a luxury use pattern to a routine consumption mode in China.

The booming market economy and development of the internet have made goods affordable and services, such as DTD pet feeding, cooking and massage, readily available.

Consumers, especially the younger generation, are becoming increasingly open to ordering such services, which in turn is generating new business growth points.

According to a report from market research company Kantar Worldpanel, China's DTD services market surpassed 2 trillion yuan (\$283 billion) in 2021, growing at a compound annual growth rate of 64 percent between 2016 and 2021.

"Door-to-door wardrobe organizing has experienced explosive growth since 2021. Between 2021 and 2023, the number of post-1995 consumers surged by nearly 20 percent, among which many have become our regular customers for whom we offer services every quarter," said Guo Xixi, a wardrobe organizer. "Young customers spend between 10,000 yuan and 50,000 yuan on organizing wardrobes every year."

"Two years ago, our core customers were those with higher salaries. Now, demand from the middle-income group has surged."

Zhang Xinyuan, secretary-general of Co-found think tank, said, "With the help of the internet and smart devices, various services are delivered straight to consumers, offering a better user experience."

DTD services are finding applications in food delivery, housekeeping and beauty salons, he said.

"With its popularization, it is also shifting from a consumption limited to higher-income groups to a common choice," he said.

Su Yuanyuan, a post-1995 employee in Beijing, said DTD services have brought great convenience and a sense of well-being to her life.

As an internet engineer who works from 9 am to 6 pm six days a week, spending two hours in a beauty salon was a luxury for Su, until she discovered that beauty salons had started offering door-to-door services.

Su now orders DTD facial care twice a month. Although she spends 30 percent more on this compared to a beauty salon, she has started to enjoy the services. Su also often makes use of DTD housekeeping and cooking services.

"I really benefit a lot from such services. In this fast-paced society, it is such a blessing for young people," Su said.

Such services are also creating new occupations. Data from Qichacha, a company information aggregator, showed that currently there are 14,500 enterprises providing DTD services, covering food delivery, housekeeping, laundry, manicures, massages, repair and fresh food.

The popularity of the sector, however, is offset by uneven service quality, lack of qualifications and inconsistent operational standards.

Meng Lilian, chief analyst at the Sichuan Tianfu Health Industry Research Institute, said: "Industry standards should be established to ensure service quality. Meanwhile, a whole-process supervision mechanism should be set up."

An Guangyong, an expert at the Professional Committee of Credit Management of China Mergers and Acquisitions Association, said: "Enterprises should pay attention to improving workers' professional literacy and skill level, and enhancing the professionalism and differentiation of services. They should also focus on labor care, to avoid vicious competition and labor exploitation caused by excessive competition."

Peach of an idea!



Farmers from Chuanjun Planting and Cultivation Family Farm in Yu'an district, Lu'an, Anhui province, prepare peaches for sale to other regions on Wednesday. The farm rents 960 mu (64 hectares) of land from some 200 local farmers to plant over 20 types of peach trees. East China's Anhui is utilizing all channels to enrich farmers' incomes in its drive for rural vitalization. FAN ZHAO / CHINA DAILY



BUSINESSFOCUS

By FAN FEIFEI
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Chinese home appliance makers are expanding their footprint in emerging overseas markets, such as Mexico, India and Vietnam.

They are also increasing investment in localized research and development amid intensified competition from rivals in the domestic market, industry experts said.

Enhancing global operational capacity will help Chinese manufacturing enterprises better utilize global resources.

The experts said it will also promote the upgrading of China's manufacturing sector, as the country places great emphasis on establishing a modern industrial system and strives to develop high-end manufacturing.

Meanwhile, trade frictions between China and the United States haven't shaken the former's position as the world's largest manufacturing hub. An increasing number of Chinese manufacturers are transitioning from exporting products to exporting industrial capacity, they added.

Chinese consumer electronics company TCL Technology Group Corp is speeding up steps to strengthen its capacity in global operations, with a key focus on three core business segments covering intelligent terminals, semiconductor displays and new energy photovoltaics.

"Our intelligent terminals unit has established production bases in Vietnam, Poland, Mexico, Brazil and India, and we will further improve localized production and operations," said Li Dongsheng, founder and chairman of TCL.

"The plant owned by TCL China Star Optoelectronics Technology Co Ltd in India has started operations in semiconductor displays. We plan to strengthen our global layout in industrial chains, marketing and R&D."

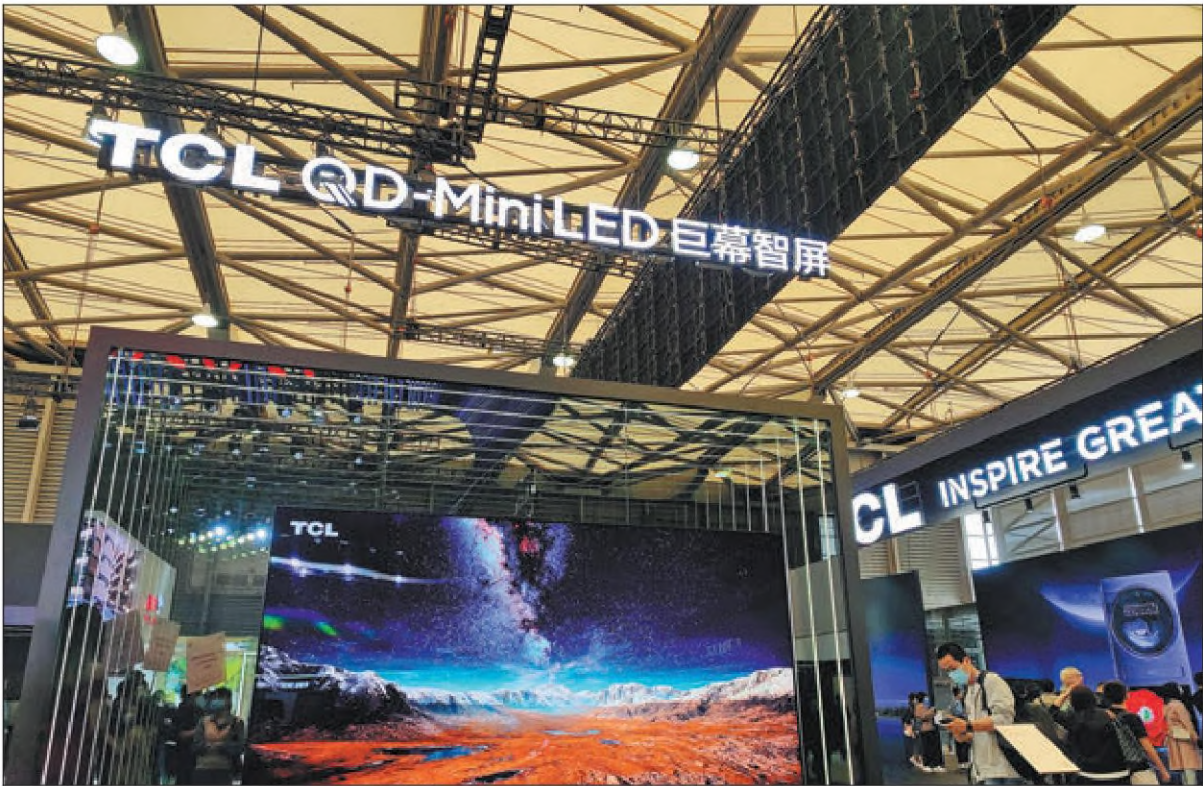
TCL is expanding its presence in North America by boosting its production capacity in large televisions at its Mexico factory. In 2014, it bought Japanese electronics manufacturer Sanyo's TV assembly factory in Mexico for the final assembly of products to be sold in the North American market.

In addition, the company, based in Huizhou, Guangdong province, has established photovoltaic cell and module factories in Malaysia, the Philippines and Mexico through joint ventures. The company said it will also explore the possibility of further expanding in the photovoltaic industry in overseas markets.

Li said building global competitiveness has always been an important strategy for TCL. Manufacturers should shift from exporting products to exporting industrial capacity, thereby driving exports of domestic components, materials and equipment, he said.

The high-tech manufacturing sector has become an important driving force for China's high-quality development, Li said. It also highlights the significance of technological innovation and capital input in bolstering the development of high-tech manufacturing, he added.

"We should accelerate the building of global industrial chains, break down trade barriers and build and improve our operations systems in



Appliance makers expand overseas footprint

Aiming higher globally, companies build factories, research centers abroad

the global market," he said.

The company has set up 43 R&D centers and 32 manufacturing centers around the world, with operations in more than 160 countries and regions. International business has become TCL's biggest growth engine.

Retail sales of China's home appliance sector reached 708.1 billion yuan (\$99.6 billion) in 2022, down 7.4 percent year-on-year, according to Beijing-based market consultancy All View Cloud, which specializes in home appliances.

Domestic TV sales stood at 36.34 million units nationwide last year, down 5.2 percent compared with 2021, while related sales revenue totaled 112.3 billion yuan, a fall of 12.9 percent year-on-year, AVC said.

Industry experts said establishing overseas branches or production centers will not only bring China's advanced manufacturing, R&D and management capabilities to local markets, but also create job opportunities for locals, boost brand awareness and enhance the competitiveness of Chinese enterprises on the global stage.

The traditional market for televisions is almost saturated and companies need to seek new growth points, said Dong Min, deputy secretary-general of the China Video Industry Association. Competition in the domestic home appliances market is fierce, and the falling prices of many televisions have resulted in decreasing profit margins and increasing pressure on companies, Dong added.



Top: Visitors gather at TCL's booth during the Appliance & Electronics World Expo 2023 in Shanghai in April. PROVIDED TO CHINA DAILY

Above: An employee works on a Hisense production line in Cape Town, South Africa, in June 2022. LYU TIANRAN / XINHUA

"Expansion into overseas markets not only relieves the pressure of high inventory in the domestic market, but also increases the international influence of Chinese home appliance companies," Dong said.

Chen Hui, general manager of AVC Revo, a unit of AVC, highlighted the growing importance of China's manufacturing industry on the global stage in light of its huge consumer market and complete industrial chains.

Chinese household appliance companies have increased their manufacturing capacities overseas and improved their global layout to mitigate the negative impacts of tariff

barriers and reduce costs since the start of trade frictions between China and the US, Chen said.

Chinese home appliance maker Hisense Group has accelerated steps to expand its business-to-business segment in overseas markets and build brands in its portfolio. That shows its determination to drive the transformation and upgrading of intelligent manufacturing, which will become an important direction of strategic development for the company, industry experts said.

Revenue from overseas markets will make up more than half of the company's total within three years, said Jia Shaoqian, chairman and

president of Hisense, in an earlier interview. The company's revenue stood at 183.5 billion yuan in 2022, up 8.8 percent year-on-year. Its overseas revenue was 75.74 billion yuan, accounting for 41.3 percent of the group's total revenue.

Jia said the company has set up 23 R&D centers and 31 industrial parks and production centers across the globe. It also has 66 overseas branches in Europe, the Americas, Africa, the Middle East, Australia and Southeast Asia.

Hisense has expanded the production capacity of its Mexican factory, given the complex trade environment, with about 8.5 million televisions made each year.

It purchased Sharp's TV business in Mexico and acquired Sharp America's TV line for the North and South American markets in 2015. The company acquired a 95 percent stake in Japan's Toshiba Visual Solutions Corp in 2017, as part of its efforts to expand globally. In August 2018, it completed the acquisition of Slovenian appliances producer Gorenje.

The company has also announced expansion plans for the Indian market, which will include setting up a local manufacturing plant and expanding its product portfolio.

"To meet the growing demand for our range of televisions, we are ramping up our local manufacturing capabilities and will set up a TV manufacturing plant with a 2-million-unit capacity within the next

two years," said Rishi Tandon, chief operating officer of Hisense India.

Hisense ranked second in global television shipments in 2022, an increase of 16.1 percent year-on-year, according to market research company Omdia. The company has boosted its brand awareness in recent years via sponsorship of major world-class sporting events, including prominent soccer tournaments such as the 2022 FIFA World Cup in Qatar and UEFA Euro 2020.

As part of a major trend, appliance makers are stepping up their operations in the global market to improve competitiveness and foster a new growth engine for their long-term development, said Jie Meijuan, general manager of the consumer electronics big data department of AVC.

Jie said globalization is both an opportunity and a challenge for Chinese home appliance manufacturers, and it will promote the sector's high-quality transformation and upgrading.

"Building a sound global industrial chain and enhancing operational capacity in the overseas market will help Chinese home appliance companies utilize global resources, reduce costs and improve management efficiency," Jie said.

Establishing global R&D centers will also help Chinese enterprises gain innovation advantages, master new technologies and obtain a greater voice in increasingly fierce international competition, she added.

Last month, Chinese home appliance maker Midea Group held a groundbreaking ceremony for a new plant in Brazil as part of the company's latest move to expand its footprint in the country.

The new factory will enhance Midea's competitiveness in the local market, the company said, adding it has great confidence in the Brazilian market and will further increase its investment there.

With a total investment of more than 700 million yuan, the new factory is expected to open in July 2024. It covers over 70,000 square meters, with an annual production capacity of 1.3 million units.

"In the past, most Chinese enterprises adopted the OEM model, but nowadays they tend to build their own brands to participate in global competition," said Liang Zhenpeng, an independent consumer electronics analyst. In the original equipment manufacturer model, companies often make a product to be sold by another company that uses its own brand name on the product.

Liang said growth rates in the domestic home appliance market are dropping, so major players should accelerate steps to expand in overseas markets such as Southeast Asia, South America, Africa and other emerging markets as they continue to show huge growth potential in low-, medium- and high-end products.

Zhang Qizi, deputy director of the Institute of Industrial Economics at the Chinese Academy of Social Sciences, said Chinese enterprises should work to achieve breakthroughs in key technologies through their own innovation and promote the integration of new-generation information technologies and intelligent manufacturing with industrial supply chains.

By FAN FEIFEI

An increasing number of domestic small appliances, such as coffee makers, air fryers and robotic vacuum cleaners, are gaining popularity among overseas consumers, industry experts said.

The products' creative designs, simple-to-use features and online promotional events have helped manufacturers boost their sales abroad, they said.

Bear Electric Appliance Co Ltd, a maker of such small appliances, has seen robust growth in sales in Southeast Asia, Japan, South Korea, Europe and the United States, with meat grinders, egg beaters and humidifiers seeing the best performance since the COVID-19 pandemic.

The company, founded in 2006, has developed and produced a series of creative electrical appliances, including yogurt makers, egg boilers and electric stewpots and steamers to entice young consumers.

Such sales account for a relatively small proportion of the company's overall revenue at present, said Li Yifeng, chairman and general manager of Bear Electric. However, Li said, "We will expand our presence in overseas markets this year, with a key focus on bolstering sales via cross-

border e-commerce platforms."

The pandemic has already changed the buying habits and lifestyles of people, who are increasingly focusing on the quality of life, personal health and food safety, according to the company.

In addition, the rising demand for high-quality consumer goods will continue to be consolidated, with small household appliances becoming popular among tech-savvy consumers, it added.

Chinese-made intelligent home appliances are often popular with foreign buyers, as seen in an explosive growth in sales. On the first day of the Black Friday shopping event last year, sales of robotic vacuum cleaners from Dreame, a Chinese home appliance maker, ranked first on Amazon's online marketplace in Germany.

According to AliExpress, Alibaba Group's business-to-customer platform, coffee grinders and tamper makers in China were favored by consumers from South Korea and Spain during last year's Singles' Day shopping event, while those in Saudi Arabia bought coffee makers made by Chinese enterprises.

AliExpress said sales of air fryers rose by 162 percent year-on-year in Spain, while Chinese manufacturers

Demand grows for gadgets from China



An employee from Bear Electric Appliance Co Ltd sells products through livestreaming in Fuyang, Anhui province, in November 2020. PROVIDED TO CHINA DAILY

of heating appliances, including electric blankets, saw impressive growth in exports to Europe in 2022, as the continent faced an energy crisis as natural gas prices soared.

Guangdong Xinhao Electrical

Appliances Holdings Co Ltd said more than 70 percent of its revenue is from overseas consumers from more than 100 countries and regions across the globe, including Europe and the US. The company

specializes in designing and manufacturing small home appliances such as electric kettles, blenders, toasters and coffee makers.

The rise in overseas orders of such appliances has reflected the robust recovery of China's economy, and the country's home appliance sector is picking up momentum, industry experts said.

China is the world's largest producer of home appliances, with the most complete industrial chains, including upstream materials and components to downstream machine manufacturing, said Liang Zhenpeng, an independent consumer electronics analyst. Liang said he is bullish on the prospects of the Chinese home appliance industry.

Because people have placed greater emphasis on health and quality of life, products with sterilization and disinfection functions are seeing a significant increase in sales, according to Si Zhenming, brand director of Joyoung, a Chinese home appliance manufacturer and soybean milk machine maker.

Cui Lili, director of the Shanghai University of Finance and Economics' Institute of E-commerce, said the popularity overseas of small household products made in China shows such cost-effective commodi-

ties have gained wide recognition and raised brands' reputation abroad.

"China's major online shopping festivals have become more international, exerting greater influence on overseas shoppers who are increasingly drawn to buying Chinese brands via cross-border e-commerce," Cui said.

Cui said Chinese manufacturers should take advantage of cross-border e-commerce platforms to benefit from heavy demand in overseas markets, learn more about local laws, regulations and quality standards and adjust supply chains to make products that meet local needs.

Generally speaking, consumers overseas have gradually boosted their awareness of and trust in Chinese companies and products, and maintain a favorable attitude toward Chinese brands, according to a white paper released by online media outlets Sina News and Huanqiu.com.

Liu Buchen, an independent researcher in the sector, said some Chinese manufacturers should abandon the low-quality and low-price competition strategy as soon as possible, and instead innovate in technology, quality and design.

GLOBAL LENS



From left: A Palestinian boy stands next to his father at the remains of their house, which was destroyed by Israeli airstrikes in Beit Lahiya, the northern Gaza Strip, on May 22. MOHAMMED SALEH / REUTERS Mohammed Sarsour, 29, looks out from one of the windows of his damaged apartment in Deir al-Balah in the central Gaza Strip, days after it was hit by an Israeli airstrike, on May 17. SAID KHATIB / AFP Palestinian demonstrators wave their national flag during a protest against an Israeli parade through Jerusalem's Old City on May 18. FATIMA SHBAIR / AP



Palestinian antique collector Hazem Muhanna, 62, sits amid the rubble of his house in Gaza City, which was hit by an Israeli airstrike, on May 16. MAHMUD HAMS / AFP

LASTING PEACE URGED

An Egypt-brokered cease-fire between Israel and the Palestinian Islamic Jihad group in the Gaza Strip has raised hopes of easing the humanitarian disaster of Palestinians but finding a lasting peace should be the focus for the region, analysts said.

After five days of tit-for-tat fighting that killed 33 Palestinians and one Israeli, and injured almost 150 people, Israel and the PIJ agreed to end the bloody confrontation on May 13.

The Israeli Defense Ministry announced in a statement the reopening of the crossing of Kerem Shalom for cargo trucks and the Erez crossing, the only pedestrian passage between Gaza and Israel.

Shops and public offices reopened and crowds returned to streets that had been deserted for days.

But the truce was put to the test when sirens went off in southern Israel shortly after it took effect.

On May 15, Israeli soldiers killed a Palestinian man in the occupied West Bank, the Palestinian health ministry said, with the army saying it returned fire after being shot at.

The Israeli military said suspects hurled rocks and explosives and fired at its forces in Nablus, the flashpoint West Bank city. The soldiers shot at the suspects and "a hit was identified", the military said.

The cease-fire "will bring temporary relief until the next round of conflict, which is inevitable given the brutal nature of occupation of Gaza and the West Bank", said Jawaid Iqbal, chairman of the department of West Asian studies and North African studies at Aligarh Muslim University in Uttar Pradesh, India. "The contradictions inherent in settler colonialism have to be resolved for lasting peace."

Kamaruzaman bin Yusoff, a Middle East analyst and former dean of Universiti Teknologi Malaysia's faculty of Islamic civilization, underscored the need to hold those responsible for the tensions accountable.

"Why is it that the world leaders, either in America or in the (other Western countries), don't bother about this war (but) they are so busy about Russia and Ukraine?"

"There must be a permanent solution" to the conflict, he said.

Gaza truce provides humanitarian relief but long-term solutions stressed



From left: People in Gaza City take a ride along the beach in a heavily damaged car on May 19. MAHMUD HAMS / AFP A Palestinian dressed in a clown costume entertains children in Deir al-Balah in the central Gaza Strip on May 15. IBRAHEEM ABU MUSTAFA / REUTERS Children play despite the lack of playgrounds in their neighborhoods in Al-Zaytun district of Gaza City on May 29. MUSTAFA HASSONA / GETTY IMAGES

WORLD

Green route mooted for development

Promotion of digital infrastructure way forward for growth, Macao forum told

By XU WEIWEI in Macao
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While infrastructure development has brought huge benefits to most parts of the world, it has also faced new challenges such as climate change, and the way forward to sustainable development with high-quality Belt and Road Initiative is to promote digital, green infrastructure, experts said at a Macao forum on Thursday.

With the theme, "Green Leadership, Digital Intelligence, Financial Empowerment, Win-Win Cooperation", the two-day 14th International Infrastructure Investment and Construction Forum, or IIICF, opened in Macao.

Guo Tingting, China's vice-minister of commerce, said in the past 10 years the BRI has made a huge contribution to infrastructure development and connectivity. Digital development is adding new impetus to international infrastructure investment while facing new challenges.

"We have signed memorandums of understanding with relevant departments of different countries to strengthen international investment cooperation, especially with the developing countries, to achieve the inclusive development of digital infrastructure," she said.

Mongolian Deputy Prime Minister Sainbuiyan Amarsaikhan said within the framework of the "Vision 2050" long-term development policy adopted by the State Great Khural (Parliament) in 2020, Mongolia pursues socioeconomic and human developments, with measures to upgrade the readiness of information and communication technology and capacity of its infrastructure.

Mike Elton Mposha, Zambia's minister of water development and sanitation, noted Zambia's intention to foster economic growth and development while safeguarding natural assets in order to continue to provide resources and environmental sustainability.

Within the context of sustainable development goals and national vision 2030, Zambia employs strategies that ensure that natural assets can deliver their full economic potential on a sustainable basis, he said.

Ding Yanzhang, chairman of the Power Construction Corporation of China (PowerChina), said digital

transformation is one of the core strategies of PowerChina's development. Dai Hegen, chairman of the board of the China National Chemical Engineering Group, said that promoting green and low-carbon economic and social development is key to achieving high-quality development.

Lou Qiliang, president of CRRC Corporation Limited, said they have carefully planned and promoted digital transformation and business model innovation to help promote the high-quality development of global rail transit.

Emission risks

Jonathan Muga, global head of the infrastructure sector, client coverage at Standard Bank Group in South Africa, said that infrastructure carries risks of emissions, local environmental and social impacts and as long-lived assets, infrastructure is particularly impacted by the effects of climate change. "So we partner with our clients to encourage the adoption of socially and environmentally sustainable practices in infrastructure."

Rohan Sinanan, minister of works and transport, Republic of Trinidad and Tobago, said the republic is progressing toward achieving economic, social, and environmental transformation guided by its Vision 2030, a comprehensive national development strategy.

The fruitful partnership between the Republic of Trinidad and Tobago and China "has played a pivotal role in successfully implementing crucial projects thus far while promoting cooperation in sustainable development", Sinanan said.

Alessandro Golombiewski Teixeira, a professor at the School of Public Policy & Management of Tsinghua University, said in recent years, Latin America's cooperation in infrastructure has grown exponentially. "We must also focus on paving the path toward a more sustainable and digitally advanced future," he said.

The forum also saw two BRI reports released: the Report on the Belt and Road Infrastructure Development Index (2023) and the first-ever Report on Portuguese-speaking Countries' Infrastructure Development Index and Macao's Achievements in Belt and Road Initiative (2023).

Florence Li in Macao contributed to this story.

Growing-up lessons



Chinese and Kenyan children and their parents plant a tree in a Chinese school in Nairobi to celebrate International Children's Day on Thursday. Organized by the Kenyan Chinese Youth Association and Erdemann Chinese School, the tree planting was followed by a games event for parents and children, in which more than 60 families took part. The day also saw Kenya celebrating the 60th Madaraka Day, the day the country gained independence from the United Kingdom. XIE SONGXIN / CHINA DAILY

Germany shuts Russian consulates

By CHEN WEIHUA in Brussels
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Relations between Russia and Germany hit a new low on Wednesday when Berlin ordered the closure of four Russian consulates in the country to retaliate against Moscow's move to limit the number of German officials working in Russia.

Russia slammed Germany's decision as "ill-thought-out provocative actions" and vowed to respond.

"There should be no doubt in Berlin that these ill-thought-out provocative actions will not remain without our proper reaction," the Russian Foreign Ministry said.

The tit-for-tat move came after Russia set a limit for the number of staff at the German embassy and related bodies in Russia at 350. Those include Germans working in cultural and educational entities such as the Goethe Institute.

German Foreign Ministry spokesman Christopher Burger said the measure was intended to create a "parity of personnel and structures" between the two countries.

He said Russia would be allowed to continue operating the embassy in Berlin and one consulate

in another city after the end of the year. Russia has five consulates in Bonn, Frankfurt, Hamburg, Leipzig and Munich.

Burger said the Russian decision earlier means that Germany would have to close its consulates in Yekaterinburg, Novosibirsk and Kaliningrad by November. Only the German embassy in Moscow and the consulate in St. Petersburg would remain open.

Regrettable move

He said that Germany's counterstroke move was regrettable but the Russia-Ukraine conflict meant there was "simply no basis" for numerous bilateral activities anymore.

He added that Germany's decision to concentrate its remaining staff in the embassy and a key consulate would "preserve the diplomatic presence in Russia".

In April, Moscow expelled 40 German diplomats to retaliate Berlin's decision to expel 40 Russian diplomats. The two countries had deep economic and cultural links before the Russia-Ukraine conflict started in February 2022.

In the United States, President Joe Biden approved a new pack-

age of military aid for Ukraine that totals up to \$300 million and includes additional munitions for drones and an array of other weapons. It comes as Russia has continued to strike Ukraine's capital and unmanned aircraft have targeted Moscow.

US officials have said there is no suggestion that US-made drones or munitions were used in the Moscow strikes, which the Kremlin blamed on Ukraine but Kyiv has not acknowledged.

The new aid package provides munitions to boost Ukraine's air defense capabilities to fend off Russia's airstrikes on Kyiv. It provides munitions for Patriot missile batteries and High Mobility Artillery Rocket Systems, or HIMARS, as well as Avenger and Stinger air defense systems.

In another development, the governor of Russia's Belgorod region said on Thursday that Ukrainian forces had shelled the border town of Shebekino, setting one residential building in the town ablaze. Vyacheslav Gladkov said the attacks had also damaged the local administration building and injured a resident.

Agencies contributed to this story.

Briefly

DPRK

Washington remarks on satellite launch slammed

Kim Yo-jong, vice department director of the Central Committee of the Workers' Party of Korea, on Thursday accused the United States of hypocrisy for criticizing the country's failed launch of a military satellite and insisted a successful launch will be made soon. Kim Yo-jong said Pyongyang's efforts to acquire space-based reconnaissance capabilities were a legitimate exercise of its sovereign right and restated the country's rejection of UN Security Council resolutions that ban it from conducting any launch involving ballistic missile technology.

UNITED KINGDOM

Johnson hands info to govt amid probe

Former prime minister Boris Johnson urged the UK government on Wednesday to share unredacted WhatsApp messages and notebooks with an inquiry probing the handling of the pandemic, after it threatened legal action to obtain them. The move follows the chair of the public inquiry setting a Thursday afternoon deadline for the trove to be handed over by the Cabinet Office, which has been resisting claiming it includes "unambiguously irrelevant" material. The ministry, which coordinates government activity, has insisted the redacted parts are "beyond the scope of this investigation". But a spokesman for Johnson insisted the ex-leader is "perfectly happy" to share the contentious documents.

UNITED STATES

Mike Pence to launch presidential campaign

Former vice-president Mike Pence will officially launch his long-expected campaign for the Republican nomination for president in Iowa next week, adding another candidate to the growing GOP field and putting him in direct competition with his former boss. Pence will hold a kickoff event in Des Moines on June 7, the date of his 64th birthday, according to two people familiar with his plans who spoke on condition of anonymity while sharing details ahead of the official announcement. The decision to begin his campaign in Iowa instead of his home state of Indiana underscores the importance Pence's team is placing on the early-voting state.

AGENCIES VIA XINHUA

US birth rate stays flat, below replacement

By MAY ZHOU in Houston
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The US birth rate in 2022 remained stagnant compared with 2021 and did not return to its pre-pandemic level, according to provisional data released by the Centers for Disease Control and Prevention (CDC) on Thursday.

The number of births in the United States in 2022 was 3.66 million, a nonsignificant decline of about 3,000 births from 2021. That means the birth rate was essentially unchanged from 2021.

The CDC said that the number of births declined by an average of 2 percent per year from 2014 through 2020, including a decline of 4 percent from 2019 through 2020, followed by a 1 percent increase from 2020 to 2021.

Overall, the total fertility rate for 2022 was 1,665 births per 1,000 women. The total fertility rate

estimates the number of births that a hypothetical group of 1,000 women would have over their lifetimes, based on the age-specific birth rate in a given year.

As a result, the total fertility rate in 2022 remained at below replacement — the level at which a given generation can exactly replace itself (2,100 births per 1,000 women or 2.1). The CDC said that the rate has been consistently below replacement since 2007.

The CDC data also showed that the teenage birth rate was down by 3 percent in 2022 from 2021, the lowest on record since 1991. Between 1991 and 2022, teenage births declined by 78 percent.

Women ages 25-34 have the highest birth rate, which remained steady in 2022 from 2021.

In 1990, the relatively younger group of women ages 20-24 had

a birth rate almost doubling that of the older group of women age 35-39. However, the younger group's birth rate has been trending down, while the older group has been trending up.

In 2022, the gap was close, at 60.4 per 1,000 for women ages 20-24, and 54.9 per 1,000 for women ages 35-39. If the trend continues, the older group might surpass the younger group.

General fertility rates declined 2 percent for black women and 3 percent for American Indian women and white women, and rose 3 percent for Asian women, 6 percent for Native Hawaiian and other Pacific Islander women, and 4 percent for Hispanic women from 2021 to 2022, CDC data showed.

Births by white women accounted for half of the total births in 2022, followed by Hispanic women at about 25

percent, black women at 14 percent, and Asian women at almost 6 percent.

The US, with a birth rate of 1.7, isn't the only developed country where the rate is below the population replacement rate of 2.1.

In Asia for 2022, South Korea had the world's lowest birth rate of 0.78. Japan was at 1.2, and China was at 1.18.

Many European countries also face population declines, with Italy experiencing the lowest birth rate among them. In 2022, Italy's birth rate hit a record low at 1.25. The birth rate in France ranked the highest in the European Union, but was still below the replacement rate at 1.6.

In contrast, populations in some of the developing countries are trending up. Many African countries have high birth rates, with Niger at the top with a rate of 6.9.

Sudan's cease-fire talks suffer setback

KHARTOUM — Sudan's military suspended its participation in talks with the paramilitary force it's been battling for weeks for control of the northeastern African country, a military spokesman said on Wednesday.

The development was a blow to the international mediation efforts.

Brigadier Nabil Abdalla, a spokesman for the Sudanese armed forces, told The Associated Press that the move is a protest against the Rapid Support Forces' "repeated violations" of the humanitarian cease-fire, including

their continued occupation of hospitals and other infrastructure in the capital, Khartoum.

The negotiations with the Rapid Support Forces, or RSF, which began in early May, had produced a declaration of commitments to protect civilians and two short-term truce agreements.

Sudan descended into chaos after fighting erupted in mid-April between the military and the RSF. The fighting has killed at least 866 civilians and wounded thousands more, according to the Sudanese Doctors' Syndicate.

Abdalla, the spokesman, said the military wants to ensure the terms of a US-Saudi-brokered truce "be fully implemented" before discussing further steps. He did not elaborate.

Responding to the military's move, the RSF said it "unconditionally backs the Saudi-US initiative".

Two other senior military officials said the army sent a letter to the Saudi and US mediators detailing what they called the RSF violations. They said the military delegation was still at the venue of the talks in the Saudi coastal city of Jeddah.

US Secretary of State Antony

Blinken said on Thursday that both sides in the conflict had violated their commitments to a cease-fire and warned that Washington was looking at what steps it could take to make its views clear.

More than 1.2 million people were displaced from their homes, UN humanitarian officials said on Wednesday.

The UN Office for the Coordination of Humanitarian Affairs said the International Organization for Migration based its tally on preliminary reports from field teams, while figures on additional displaced are likely to emerge as humanitarian access improves.

AGENCIES—XINHUA



Vendors sell fish at a market in Khartoum, Sudan, on Wednesday amid continued fighting between the two rival factions.

AGENCE FRANCE-PRESSE

COMMENT

Editorials

Business community gives lesson to Washington on benefits of cooperation

The global public sphere is rife with narratives about an “exodus” of foreign companies from China, claiming they are leaving en masse.

But things are different in the real world. Unlike Western governments, which have just begun to come to terms with the impossibility of an overall “decoupling” from China and are now shifting toward severing ties in specific areas, multinational corporations seem to be clear-minded about the cost of such politicization of normal business relations. The politically motivated nature of the bid to reshape supply chains is revealed by the use of the term “de-risking”, which slyly tarnishes any ties with China as being risk-laden.

Some in the West may detest their countries’ politicians and business executives heading to China. But that is how today’s world works — countries and businesses are too deeply interwoven to not engage with one another.

“De-risking” may be in vogue as the latest ingredient of political correctness in the West, and as the COVID-19 pandemic has shown, companies cannot rely too heavily on specific suppliers or markets. But that is because links may be broken by such unanticipated events, not because there are inherent risks in having business links with a particular country.

Business decision-making may become a formula for self-inflicted damage once it is hijacked by geopolitical calculations.

Some Western politicians seem unable to control their anti-China hysteria. Fortunately, the business world appears to be more sensible about

what economic interdependence and its win-win potentials mean.

At the JPMorgan Global China Summit in Shanghai, JPMorgan Chase & Co CEO Jamie Dimon said the United States’ disputes with China over security and trade are “resolvable”.

Like many Chinese counterparts, he highlighted the need for serious communication. “You’re not going to fix these things if you are just sitting across the Pacific yelling at each other. So I’m hoping we have real engagement,” he said.

Tesla CEO Elon Musk, too, highlighted the interconnectedness of the two economies. “The interests of the United States and China are intertwined like conjoined twins,” Musk said in a meeting with a senior Chinese official on Tuesday.

And, in what is something of a slap in the face for those Western politicians who have been calling for “decoupling”, some of the visiting Western business leaders, including Dimon and Musk, have chosen to expand their business presence in the Chinese market.

Not only private capitalists, but also the US Treasury Department is keenly aware of the increasing necessity for the two economies to sustain proper collaboration. Echoing Treasury Secretary Janet Yellen’s warning against the “decoupling” of the Chinese and US economies, Assistant Secretary Elizabeth Rosenberg reportedly told a Senate banking committee hearing that her department would “seek expanded engagement” with China in order to work through the difficult issues her country faces.

That is a more realistic appraisal of what the two countries need.

Who conducted unnecessarily aggressive acts?

Whatever excuse the US side might offer, it cannot deny the fact that an RC-135 surveillance plane entered the zone in which the People’s Liberation Army Navy was conducting routine training in the South China Sea on May 26.

Neither can it alter the fact that the flight route brought the plane to within about 50 kilometers of China’s coast at the nearest point.

The PLA Southern Theater Command organized the air force to track and monitor the entire process, and handle the situation in accordance with laws and regulations.

It is absurd for the US to claim that a PLA Navy plane carried out an “unnecessarily aggressive maneuver” during its intercept.

The whole world will be aware of the hypocrisy of the US in making such a ballyhoo after it transformed and sensationalized an errant meteorological research blimp into a “spy balloon” that it blasted out of the sky with a missile. US politicians have on more than one occasion expressed their unease at alleged surveillance that steals US secrets, yet the US military has been clinging to the bad habit of installing cameras on China’s doorstep 10,000 kilometers away across the Pacific.

The Pentagon’s “concern” is a typical US misdirection.

From April 2020 to April 2021, a CL-604 surveil-

lance plane was even reported to have spied on China 250 times within one year, almost once every working day.

The security of the US should not be based on the insecurity of other nations. But that is what the US has always been doing.

In its statement regarding the issue, the PLA solemnly urged the US to restrain its military and observe international law and agreements so as to prevent any accidents or miscalculations.

The Pentagon’s claims of unnecessary aggression by China are probably intended to provide ammunition for US Defense Secretary Lloyd Austin, who will speak at this year’s Shangri-la Dialogue, which begins on Friday. Chinese Defense Minister Li Shangfu is also attending the meeting. However, the two are not expected to talk on the sidelines of the event given the US’ aggressive actions, because Beijing sees no point in doing so as the Joe Biden administration constantly belies its friendly words with its deeds.

Among its actions, the US frequently sends aircraft and vessels to conduct close-in reconnaissance on China. The US military has significantly increased the intensity and frequency of its military activities in the South China Sea. It has also persuaded its allies to conduct similar provocations.

It is these moves that are unnecessary, irresponsibly aggressive and the root cause for concern.

IPEF nothing but a Trojan horse for US

The ministerial meeting of the “Indo-Pacific” Economic Framework for Prosperity that concluded in Detroit, Michigan, last week only produced a pact on the supply chains of key materials and products.

Launched in May last year, the 14-member IPEF plans to produce agreements in four areas: trade, supply chains, the green economy and a “fair” economy. The limited fruits of the meeting speak volumes about the concern of the other members. They are clearheaded on the nature of the IPEF being a geopolitical tool of the Joe Biden administration, which is seeking to isolate China in the region. They are wary of the harm that will be done to the world trade system through the IPEF, which is nothing more than a means to imprint the legacy stamp of “America first” on the region.

The supply chain pact, as Foreign Ministry spokesperson Mao Ning said, is “discriminatory” and “exclusive”, which ruins the open and inclusive foundation on which the Asia-Pacific region has achieved its economic success. The pact is being carried out with the objective of excluding China from the regional supply chain network, and reforming that network with the US as the new hub.

However, even the participants are well aware that the IPEF does not include the US opening its market wider to member countries through trade policies such as lowering tariffs.

The IPEF is not trade liberalization. That explains why after being formed a year ago, the IPEF remains largely a talking shop. The US’ attitude toward the IPEF is based on domestic politics and the need for “competition” with China, rather than its common interests with the participants.

The Biden administration just inherited the “America first” line from the previous administration, but it is trying to create a new world economic order to that effect through the higher labor, environmental protection, safety and other standards.

In this way it hopes to weaken the competitive cost advantages of developing countries in manufacturing sectors.

The IPEF, with its strong geopolitical and ideological attributes, goes against the law of the market, and its value and sustainability are questionable. India announced last year that it was pulling out of the talks on trade, because it saw no benefit to be gained.

The formation and development of the global industry and supply chains are the results of the combined action of market law and enterprise choice. And the problems incurred in that process can be corrected by adjusting some policies, rather than tearing down the entire globalization system to satisfy one country’s interests. Promoting free trade does not conflict with strengthening labor, environmental and security goals.

Zheng Huawei



Opinion Line

India must respond suitably to Chinese journalists’ concerns

The Wall Street Journal reports that China and India have effectively kicked out a large number of each other’s journalists by refusing to renew their visas.

As Chinese Foreign Ministry spokesperson Mao Ning said at a regular news conference in Beijing on Wednesday, it was New Delhi that started the trend, leaving the Chinese side with no choice but to reciprocate.

It remains unclear how that will benefit India, and what New Delhi intends to do to end the deadlock. Or does it want the two neighbors not to have any correspondents stationed in each other’s country, leaving the job of telling Indian and Chinese stories to Western media outlets?

There are more Indian journalists working in China than vice versa.

Although Beijing is not interested in a tit-for-tat game, it has more cards than New Delhi to play in the farce that India has started.

As a matter of fact, as Mao pointed out, Chinese journalists have suffered unfair and discriminatory treatment in India for a long time now.

In 2017, the Indian side shortened the validity of visas held by Chinese journalists in India to three months, or even one month, without giving any valid reason. Since 2020, the Indian side has refused to review and approve Chinese journalists’ applications to be stationed in India. As a result, the number of Chinese journalists stationed in India has plummeted from 14 in normal times to just one now.

As of Wednesday, the Indian side had not renewed the visa of the last

Chinese journalist in the country. The number of Chinese journalists stationed in India is therefore about to drop to zero.

Considering this, the Chinese side has no choice but to take appropriate counter-measures to safeguard the legitimate rights and interests of Chinese media organizations.

Mao stressed that China is still willing to maintain communication with India under the principles of mutual respect, equality and mutual benefit. It is to be hoped that India will reciprocate by responding to China’s legitimate concerns, and take concrete steps as soon as possible to create favorable conditions for restoring normal exchanges between the media organizations of the two countries.

— GUANCHANG

Time to account for ‘invisible overtime’

According to a report in Legal Daily, a court in Beijing has ruled that the time employees spend working outside of the designated work time and place through WeChat and/or other social media platforms qualifies as “invisible overtime”, and the employer is obliged to pay for the extra hours.

Experts suggest that labor laws must introduce the concept of “off-line rights”, which means that, except for statutory or agreed-upon circumstances, employees must have the right to refuse work-related communication through digital tools during non-working hours; also, they should not face any adverse treatment for doing so.

In this era of digitalized office systems, employees can complete most tasks on computers and

smartphones without going to an office.

Especially during the COVID-19 pandemic, remote working gained considerable traction. The omnipresence of the internet connects companies and employees, making online communication and collaboration convenient and greatly improving work efficiency.

But its negative impacts should not be underestimated, as employees can feel trapped while their normal rhythm of life is inevitably disrupted.

There have been cases in which employees faced criticism or were dismissed for not responding promptly to messages from superiors after office hours, not clocking in the required number of working hours or not attending online

meetings. It is evident that unreasonable invisible overtime is being enforced sometimes, leading to employees suffering losses or even losing their jobs.

So many employees complain about invisible overtime that it is time to regulate working hours in this new era.

This requires relevant departments to strengthen labor supervision and law enforcement while granting employees “offline rights” to rest during non-working hours. Employees should have the right to enjoy life.

The internet has no boundaries, but life has. Therefore, the law needs to empower employees with the right to say “no” to unreasonable invisible overtime.

— BEIJING NEWS

What They Say

Enhanced communication reduces trust deficit

Wednesday marked the second anniversary of President Xi Jinping’s speech on the promotion of China’s international communication work.

Over the past two years, under the guidance of that speech along with other directives he has made in that regard, the country has made tremendous progress in enhancing its international communication ability and strengthening its say in international affairs, which is conducive to forming a favorable external environment for the country, and advancing the building of a community with a shared future for humankind.

It is already a social consensus that the country should have a say in the world that matches its comprehensive national power and international status. And the awareness of the authorities at various levels of that task has risen markedly.

But apart from authorities at various levels and media outlets, Chi-

na’s international communication system also comprises enterprises, think tanks, schools, social organizations and individual residents. And its international communication capacity is based on technology, capital, management, organization, innovation and talents.

All these factors are contributing to the improvement of China’s international communication efficiency and its final effects, so that China can be better understood by the world, and the Chinese people can see China’s relations with the rest of the world in a more objective and more confident way.

Thanks to the country’s enhanced ability in international communication, it can better safeguard its national interests by better rebutting the rumors, smears and lies propagated by some countries and ensure that a correct understanding of China prevails in the world.

A stronger international commu-

nication ability means China can better work with other developing countries to promote reform of the international order in a fair and just direction that better reflects their interests by setting the agenda in multilateral meetings and international organizations. They are no longer the silent majority in the international community that is represented, explained and distorted by a few developed countries.

China’s stronger international communication ability also means that it can translate its long history, civilization and unique culture and wisdom into soft power.

But still the country needs to pursue breakthroughs in communication technologies and improve its story-telling skills to break the West’s dominance of the world public opinion market, and make its due contribution to reducing the trust deficit in the world.

— LI YANG, CHINA DAILY

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COMMENT



China and the World Roundtable | US Debt Crisis

Editor's note: US stocks fell on Wednesday as investors were worried that the US federal government would default on payments, but the US House of Representatives voted to suspend the US' debt ceiling through to 2025, avoiding federal default at the last minute and sending the bill to the Senate. The US' internal political game can have grave consequences for the world economy. Three experts share their views on the issue with China Daily.

Gal Luft

US' rising debt is mother of all debt traps

Over the past 60 years, US Congress has raised the debt ceiling 78 times. For most of this period, raising the debt ceiling was a non-event. But over the past decade or so every time the US government reaches its debt ceiling, a drama of global proportions unfolds. Republicans and Democrats blame each other for the looming government shutdown; pundits issue stern warnings of a financial meltdown resulting from default; equity markets fluctuate between hope and fear; and the US president cancels important international engagements in order to deal with the crisis.

When the largest economy and holder of the international reserve currency is on the brink of default, no country can remain indifferent. But make no mistake, this is political theater. US Congress and the administration know too well that shrinking the deficit requires increase in government revenues through taxation coupled with deep spending cuts. Both options are political anathemas. So the only solution is to kick the can down the road and continue the charade that Republicans and Democrats really care about the ballooning debt. They don't.

Republicans like to present themselves as "fiscal conservatives", but their leading presidential candidate for 2024, Donald Trump, the self-proclaimed "king of debt", added more trillions to the national debt in one term than other presidents added in two. Democrats are no better, however, clinging to a dubious economic philosophy known as "modern monetary theory" which holds that "deficits don't matter". This is why the debt ceiling drama always ends the same way: after weeks of brinkmanship and partisan bickering, a last-minute deal is reached to raise the debt ceiling, allowing the administration to re-indulge in overspending for two additional years.

The United States is addicted to debt. With its federal deficit persistently above \$1 trillion a year, US debt is growing by leaps and bounds, nearing \$32 trillion. Ten years ago, when former US president Barack Obama fought with Republicans to raise the debt ceiling, the debt stood at \$16 trillion. In other words, it doubled in just 10 years.

According to the Congressional Budget Office, at the current spending rate the debt is poised to surpass \$46 trillion by 2033 which is almost half of today's global GDP. Economic historian Niall Ferguson once said "if you really want to see when an empire is getting vulnerable, the big giveaway is when the costs of serving the debt exceed the cost of the defense budget". The Congressional Budget Office projects that the interest rate on US debt will surpass \$1.4 trillion, about the size of today's federal deficit and almost twice today's defense spending.



JIN DING / CHINA DAILY



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If any other country had been so reckless, its credit rating would have fallen like a rock. Not the US. The big three credit rating agencies — Moody's, Standard and Poor's and Fitch — together dominating more than 80 percent of the global market, are American. No matter how obscene the US debt level gets these agencies continue to rate US government bonds as "prime grade". These rating agencies could be easily coerced if they step out of line and downgrade the very same government that regulates them. This biased grading misleads central bankers all over the world as well as pension funds, hedge funds and other institutional investors into buying more US debt.

At what point will the music stop? It's already slowing, it seems. With the de-dollarization concept becoming mainstream, central bankers are increasingly reluctant to over-expose themselves to dollar-denominated debt. In 2022, the

total ownership of Treasury securities held by foreign countries fell by a quarter of a trillion dollars. The federal deficit for the same year reached \$1.38 trillion.

The US administration needs to borrow more and more money, but the global appetite for US Treasuries is weakening. And that's why the US administration must increasingly rely on its own public to finance the deficit. But to attract so much domestic money, the government would have to offer higher interest rates which could in turn send the economy into a recession.

Debt addiction is not only a US problem. It is endemic to most developed countries. With the exception of Canada and Germany, other G7 countries that lectured recently in Hiroshima on the dangers of China's so-called debt traps have debt greater than their GDP. Japan, the host of the G7 summit, has a debt-to-GDP ratio of 225 percent. Compare this to the five Central Asian countries, whose leaders attended the China-Central Asia Summit in Xi'an, Shaanxi province, around the same time. Their ratio is only 30 percent.

Rich countries can borrow as much money as they wish and provide their citizens with perks and entitlement programs people in developing countries can only dream of. Developing countries are forced to stabilize their currencies

through the purchase of debt instruments denominated in rich economies' currencies like the dollar or the euro. This facilitates the biggest transfer of wealth from the poor to the rich in history.

This unjust system has run its course and a global financial reform is long overdue. But don't count on Western politicians to take any action to avoid a financial meltdown one minute before they must. It is up to the Global South to draw the line and direct world attention to the mother of all debt traps — the G7's out-of-control borrowing practices.

Sadly, if history is our guide, the only way major powers can deal with unsustainable debt levels is to embark on aggressive foreign policy, militarization and provocation and to instigate war against one or more of their major lenders, or — even better — pit them against each other, in the hope that post-war negotiations would result in debt cancellation, restructuring, asset seizure or repatriations.

Indeed, when it comes to unsustainable debt, war is the only realistic alternative to bankruptcy. Which is why the debt ceiling drama in Washington and the deteriorating US-China relations should be viewed as two scenes from the same plot.

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

Ni Yueju

Bipartisan politics in Washington threatens world

After the two serious debt ceiling crises in 2011 and 2013, the United States was once again caught in a debt ceiling crisis for over a month, causing widespread concern among the international community over the prospects of the US and global economies.

According to media reports, the House of Representatives passed a bill on Wednesday that would suspend the debt ceiling through to 2025, avoiding a federal default at the last minute. The bill will now go to the Senate.

It is hoped that the US administration will not take its own economy and credit rating lightly, considering that US Treasury Secretary Janet Yellen has said the US has "no good reason to generate a crisis of our own making".

But what is the debt ceiling? A system unique to the US, the debt ceiling is a limit on the total amount of government borrowing. It was first put in place during World War I and gave the Treasury Department blanket authorization to borrow money up to a certain amount to help fulfill the federal government's payment obligations. Its purpose is to prevent the federal government from issuing national debt without limit, thereby helping it avoid "insolvency".

The Treasury Department's authority to borrow money ceases once it reaches the limit, meaning the federal government can no longer issue new debt. The US government would then face a shutdown if the debt ceiling is not raised and defaults on its maturing debt and interest payments.

Due to its moderate fiscal deficit policy, which can increase government spending and market liquidity and promote economic growth, raising the US' debt ceiling has long been a norm. Since US Congress passed the piece of legislation in 1917, every instance of potential default has been resolved in the final moments or at the last minute by raising the debt ceiling.

In fact, since 1960, the Congress has raised or suspended the debt ceiling 78 times, and the debt limit has increased from about \$300 billion to \$31.4 trillion, roughly a 105-fold increase.

The recurring "debt crises" in the US can be attributed to several factors. As the scale of the US government's borrowing continues to increase and US politics becomes increasingly polarized, the debate over the debt ceiling has become an important bargaining chip between the Republicans and the Democrats in Congress. Both parties test each other's limits and seek to gain more political leverage out of it. In order to reach a consensus on raising the debt ceiling, the Democrats and Republicans must agree to significantly reduce the deficit in the future.

The main disagreement between the two parties lies in the approach to reducing the deficit. Should it be achieved by "increasing revenue", that is, by raising government income, or by "cost-cutting", meaning reducing government spending?

The Democratic Party, in order to please its traditional low-income supporters, aims to maintain a certain level of social security for them. So the Democrats are reluctant to make significant cuts to their social security and the healthcare programs. Instead, they usually propose to address the fiscal crisis by reducing the defense budget and/or increasing taxes on the wealthy.

On the other hand, the Republican Party, which tends to enjoy more support among the middle class and the rich, opposes any increase in taxes and focuses primarily on budget reforms.

The fact that the two parties have agreed in principle to raise the debt ceiling will prevent the crisis from becoming a "black swan event" affecting the global economy this time. However, the continuous raising of the debt ceiling by Congress means the US government can overdraw in the future without restraint, continuing the cycle of borrowing more to pay off old debts. While this approach can balance the interests of the two parties, their game of brinkmanship poses significant risks, particularly in an era of increasing political polarization and divisions.

If it spirals out of control even once, it will not only severely impact US politics and the US economy but also drag the world economy into a deep economic recession. Therefore, the world must remain vigilant against the US' internal power game.

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Maya Majueran

Why nations are seeking alternatives to the dollar

After World War II, the US dollar became the prime global reserve currency. Since then the US dollar has been dominating international trade, and has become the dominant currency in international banking and a safe foreign exchange reserve for financial institutions and businesses across the globe.

The dollar's status as the global reserve currency was paved by the Bretton Woods Conference in July 1944, where 44 countries agreed to establish the International Monetary Fund and what in 1945 became the World Bank Group. But despite being founded by more than 40 countries, the fundamental principles of the IMF and the World Bank have promoted the interests and ideology of the US and a few other Western European countries by imposing strict and additional conditions on providing assistance for other countries.

As of the end of last year, the US dollar accounted for 58.36 percent of the global foreign exchange reserves, with the dominance of the dollar giving Washington far-reaching advantages over its rivals. For example, unlike other countries, the United States can meet its international obligations, overcome budget constraints, raise expenditure, and give loans or even grants to other countries just by printing more currency notes.

The US has also weaponized the dollar to maintain its global economic and geopolitical position. It has imposed economic sanctions on nearly 40 countries,



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including Cuba, Russia, the Democratic People's Republic of Korea, Iran and Venezuela, affecting nearly half of the world's population, causing severe hardship for ordinary people and seriously disrupting economies.

Additionally, the US Federal Reserve's aggressive tightening policy has made the dollar a much stronger currency. The Fed policy rate is now set within a range of 5 percent to 5.25 percent, up from near zero a year ago. With the dollar continuously gaining in strength, other economies' currencies have been weakening, pushing up the prices of imported goods, including food, fuel and medicine, and exporting inflation to other countries.

A stronger dollar has also increased other countries' borrowing costs, putting more pressure on central banks to raise their respective interest rates, which incidentally will increase consumers' borrowing costs for housing mortgage, car loan and other items at a time when inflation is still very high. As a result, many developing countries with large debts have been hard hit by the strengthening dollar because their external debt stocks and debt service payments are mostly denominated

in dollars, making it even harder for them to borrow in the open market to finance their budget deficits.

The emerging market economies are outraged by the dollar's dominance as a reserve currency, and are searching for viable alternative currencies. And with an increasing number of countries choosing to use their own currency to settle bilateral trade payments, the trend of de-dollarization is gaining momentum.

Countries want to diversify their foreign exchange reserves away from the US dollar. Although the dollar accounted for 58.36 percent of the global foreign exchange reserves in the fourth quarter of last year, that share has been falling gradually. On the other hand, the euro accounted for about 20.5 percent of the global foreign exchange reserves at the end of 2022 while the Chinese yuan accounted for nearly 2.7 percent.

Many developing countries have been working to internationalize their currency and promote its use in international trade and investment, and more and more countries are calling for global trade to be conducted in currencies other than the US dollar.

As for China, it has been promoting the use of the yuan in bilateral trade and investment over the past years. In fact, the yuan has become the third-largest currency used for trade settlement and fifth-largest reserve currency.

India, too, is taking steps to promote the use of the rupee in international trade as part of its efforts to boost exports and

slow down the depreciation of the rupee, which highlights the pressure a strong dollar has put on the foreign exchange reserves of economies such as India.

Moreover, Saudi Arabia, the world's largest crude oil exporter, is open to discussing oil trade settlement in currencies other than the US dollar, which could put the petrodollar in danger — and the end of petrodollar will inevitably weaken the US dollar.

And Brazilian President Luiz Inacio Lula da Silva has called on developing countries to take measures to replace the US dollar with their own currencies in international trade and urged BRICS member states to decide on an alternative currency for conducting trade. This could have a huge impact on the US dollar, as BRICS members — Brazil, Russia, India, China and South Africa — account for one-third of the global economic output, with their combined output being higher than that of G7 economies.

A common BRICS currency could be a game-changer; it could even break the US dollar's global hegemony. Given the desire of the emerging economies to conduct free trade in currencies other than the dollar, ideally the world should have five reserve currencies with equal weight — the US dollar, the euro, the yuan, the rupee and a common BRICS currency — with countries having the freedom to conduct trade in any currency they like.

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GLOBAL VIEWS



Editor's note: The world has undergone many changes and shocks in recent years. Enhanced dialogue between scholars from China and overseas is needed to build mutual understanding on many problems the world faces. For this purpose, the China Watch Institute of China Daily and the National Institute for Global Strategy, Chinese Academy of Social Sciences, jointly present this special column: The Global Strategy Dialogue, in which experts from China and abroad will offer insightful views, analysis and fresh perspectives on long-term strategic issues of global importance.

CHEN ZHAOYUAN AND HAN BING

Overcoming investment barriers

Chinese enterprises should prepare for compliance in advance, assess sources and use of financing and get prepared to defend against subsidy review before making mergers and acquisitions in Europe

In November 2022, the European Parliament and the Council of the European Union approved the Regulation on Foreign Subsidies Distorting the Internal Market.

Six months after the regulation came into force on Jan 12, the European Commission (EC) will be able to launch ex officio investigations. To supplement the regulation, the EC began to solicit comments on the Draft Implementing Regulation on Feb 6,

which seeks to elaborate procedures and rules for investigating and reviewing foreign subsidies.

First, the new review mechanism has raised barriers for enterprises investing in Europe. The regulation extends the scope of review to State-owned enterprises, loans of State-owned banks and private entities receiving so-called financial contributions, resulting in increased administrative approval procedures for certain investors traveling to Europe. The newly-introduced foreign subsidy review mechanism is adopted along with the anti-monopoly and foreign investment review mechanisms, making enterprises investing in Europe face triple reviews and increasing transaction costs for foreign enterprises entering the EU market.

While eyeing mergers and acquisitions in hi-tech and strategic sectors identified by the EU, foreign companies are more likely to face

overlapping, drawn-out and rigorous review.

Second, abuse of the regulation might enhance compliance costs for enterprises operating in Europe. Many key concepts in the regulation, such as the financial contribution, distortion effect and balancing test, are still vague. Executive agencies are granted broad discretionary power, leading to more uncertainties in the operation of enterprises in Europe.

Prosecutors are supposed to provide proof of subsidies in most cases under World Trade Organization agreements, but the regulation states that the EC can assume that certain financial contributions are foreign subsidies when operators fail to provide sufficient evidence to the contrary. That will increase the compliance costs of enterprises greatly. Since companies, governments and social communities, including those in competition, can report to the EC, the regulation might be abused.

Third, countervailing investigation may reduce the enthusiasm of enterprises to invest in a third country. The EU extended the scope of countervailing duties against exporting countries to third countries in trade remedies.

Under the regulation, the EC is authorized to investigate enterprises in a third country after gaining the local government's permission. Investment provided by enterprises in a third country outside the EU may be considered a subsidy by the EC. As a result, countries with close economic ties to the EU may become more cautious when making investment cooperation with Chinese enterprises and financial institutions, leading to mounting uncertainties for Chinese enterprises' investments in a third country.

Fourth, emerging international subsidy legislation may intensify



WANG XIAOYING / CHINA DAILY

regulatory pressure on enterprises. The EU's foreign subsidy legislation may drive advanced economies such as the United States, Japan and the United Kingdom to follow suit by setting up more stringent and sophisticated regimes to regulate foreign subsidies. The introduction of unilateral subsidy regulatory tools will affect the application of multilateral rules and make certain enterprises face a more targeted regulatory environment in outbound investment.

Still, the regulation will also bring positive impacts on enterprises that invest and operate in Europe. Enterprises could turn to the regulation to seek a more level playing field. Major economies are increasing input in industrial policies and enhancing financial support significantly for fields including new energy, chips, and infrastructure. This has disrupted free and fair trade and the investment environment

and led to unfair competition for companies in certain industries during overseas investment. After the implementation of the regulation, Chinese enterprises could turn to the feedback mechanism to safeguard rights and interests when other investors use unfair subsidies to their benefit in the EU market. The regulation could urge enterprises going global to optimize operation modes. The EU's restrictions on foreign subsidies drive

enterprises investing in Europe to improve governance and pay more attention to compliance preparation and risk assessment before investment. The regulation will prompt enterprises to utilize financial assistance more efficiently and transparently, and strengthen cooperation with international investment and financial institutions.

For Chinese enterprises to better cope with changes brought by the regulation and international subsidy rules in overseas investment, China needs to improve dialogue with the EU on implementation of the regulation, and urge the EU not to arbitrarily expand the coverage of providers and forms of foreign subsidies in review.

Chinese enterprises should prepare for compliance in advance, assess sources and use of financing and get prepared to defend against subsidy review before making mergers and acquisitions in Europe. The evaluation criteria of market distortion effect and judicial practices of EU competition laws should be fully examined, and the impacts of investment on EU public goods should be combed. Enterprises can highlight the positive influences of subsidies in the balancing test, pool professional personnel to conduct the subsidy compliance assessment, and ensure more effective investment protection through nationality planning.

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Chen Zhaoyuan



Han Bing

LEVENTE HORVATH

Tap the Eastern Opening

Hungary has been urging EU to not get dragged into crises that are not theirs and to profit from Chinese ties. Hopefully Europe will take heed

Hungary was the main guest at the third China-Central and Eastern European Countries Expo in Ningbo, Zhejiang province in May, having been the main guest at several exhibitions, conferences and forums in China.

This is because that while relations between the European Union and China are becoming increasingly strained, Hungary and China have engaged in cooperation based on mutual respect, mutual benefit and mutual understanding. Hungary's China policy differs from that of the EU, but what is

it all about? In 2010, Hungary announced a policy of "Eastern Opening". In a speech, Prime Minister Viktor Orban said that the wind is blowing from the East in the world economy, and though it is sailing under a Western flag, Hungary needs to adjust to it. Hungary took the lead in initiating cooperation between China and the Central Eastern European countries and was the first to join the Belt and Road Initiative. For this, the country has received flak from the EU, being described as "China's Trojan horse". The China-CEEC cooperation was even seen as Beijing's plan to "divide Europe". But what is the reality? In 2011, then Chinese premier

Wen Jiabao attended the first China-CEEC Economic and Trade Forum, which became the starting point for China-CEEC multilateral cooperation. However, the world has changed dramatically in the past 12 years, with the economic rise of China and Asian countries, the Belt and Road Initiative, and the emergence of Eurasian connectivity. The West has become concerned about the transformation of its hegemonic unipolar world order into the Eurasian era.

The EU looks askance at the economic cooperation of the CEE countries with China, but a closer look at the data shows that in 2021, the total trade of the 12 EU countries of the CEE region with China (116 billion euros or \$124 billion) is less than half of the Chinese-German trade (245 billion euros). In EU-China trade, Germany has a share of 27.7 percent, while CEE countries have a share of 0.1 to 4.7 percent each. Chinese-CEEC imports and exports have been steadily increasing over the



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past 12 years and were scheduled to reach \$100 billion in 2015, but this goal was not achieved until 2020.

A similar trend can be observed in investment, with Chinese investment in the CEE region increasing but still far below the level of Chinese foreign direct investment in Germany and some Western European countries. But then, what is all the great concern about?

As I mentioned, the West fears losing the power it has so far. The United States launched a trade war against China in 2018, and has since positioned China as a competitor and continues to demonize the Asian country and prevent its rise while clinging to its unipolar world order with both hands.

At the behest of the US, the allied European states are acting against their own interests. This has also been emphasized by the Hungarian government at various platforms, most recently by Minister of Foreign Affairs and Trade

Peter Szijjarto, who — in the context of the EU's sanction plans — said that "we think the European Union should strive for strategic cooperation with China".

Despite being its major economic partner, the EU constantly threatens to impose sanctions on China. Hungary's prime minister turned eastwards to develop trade relations with China and Asia alongside Western economic cooperation in 2010. The "Eastern Opening" policy has been a great success; after 2012, more than half of Chinese foreign direct investment to CEE countries came to Hungary. Hungary has now become the number-one destination in Central and Eastern Europe for Chinese corporate investments. In 2020, China became Hungary's largest foreign investor and is set to be the largest investor in Hungary in 2023, too.

Since 2010, Hungary has been urging the EU that if it wants to profit from Chinese ties, mutual trust, respect, and cooperation based on mutual benefits must be highlighted rather than rivalry. Hopefully, European leaders take heed of these words to put the EU's own interests first.

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LIFE



Veteran vocalist Gong Linna (right) and Japanese singer Maria, also known as Mai Mizuhashi, sing the song *Hua Hai* (Sea of Flowers) in the music and reality show *Riding the Wind 2023*.

In the rich tapestry of global music, certain genres possess a unique allure that transcends cultural boundaries. One such captivating vocal style is Shima Uta, originating from the enchanting islands of Okinawa, Japan. Also known as “island songs” in English, the singing style demands rapid transitions between chest voice and falsetto, creating a haunting and ethereal atmosphere.

Inspired by this special vocal style, the multitasking pop icon, Jay Chou, created the poignant ballad *Hua Hai* (Sea of Flowers) in 2008, into which he skillfully infused the soothing power of Shima Uta, bringing solace to the hearts of listeners.

Two years later, Kousuke Atari, a renowned Japanese singer who has been at the forefront of popularizing Shima Uta, covered the song, presenting a Japanese version.

The narrative of Chinese and Japanese musical exchange has continued to unfold as the acclaimed Chinese vocalist Gong Linna and Japanese singer Maria, also known as Mai Mizuhashi, presented their own interpretation of the song on the stage of the reality show, *Riding the Wind 2023*.

In their performance, Maria mesmerizes the audience with her resonant contralto voice, which carries depth and richness, enveloping the listeners in complex emotions. Meanwhile, Gong showcases her versatility as a veteran vocalist, seamlessly moving between pop and ethnic minority-style vocal techniques such as vocal chanting, Shima Uta and other genres.

During the song’s instrumental interludes, Maria takes center stage, her dance moves synchronizing with the cascading petals falling around her, a visual spectacle that amplifies the poetic expression of the song. Alongside her, Gong’s enchanting vocalizations intertwine, adding an otherworldly dimension to the performance.

As the song progresses into its latter half, the two singers swap languages and sing in each other’s native tongues during the chorus, heightening its emotional climax.

The performance, featuring the singers’ outstanding vocal prowess, a perfectly tailored stage design and the harmonious interplay of two languages, has sparked enthusiastic discussions on social media platforms. Many viewers describe it as “an audiovisual feast” that will linger in their minds for a long time.

“I’ve employed tones that align with Eastern aesthetics when singing the song. I want to stage performances imbued with Chinese styles in the show,” Gong says.

Riding the Wind 2023 is the fourth season of a reality show that aims to showcase the charms of 30-to-50-something women. The series’ 2020 debut caused a sensation, capturing widespread public attention by challenging the entrenched focus on youthful beauty within the Chinese entertainment industry.

Embarking upon its latest season this year, the program seeks to expand cross-cultural collaboration and mutual support among women, regardless of their different languages, ages or personality traits.

To achieve this, the show has invited female celebrities from diverse cultural backgrounds to participate in duets or group performances throughout the rounds of competition.

Among them are Chinese TV anchor Xie Na, 42, model-turned-actress Qu Ying, 52, Hong Kong actress Ada Choi Siu-fun, 50, and Taiwan singer Ella Chen Chia-hwa, 42, as well as international participants such as South Korean actress Choo Ja-hyun, 44, Russian chanteuse Katerina Kelly, 33, and American singer Annie Lowdermilk, 33.

United in harmony

Singers from various backgrounds at home and abroad tune into one another during hit reality show, **Xing Wen** reports.

Gong, along with her German husband, songwriter Robert Zollitsch, has long been exploring the realm of “new Chinese art music”, which aims to preserve the essence of traditional Chinese folk music in new forms.

According to Gong, collaborating with international artists on the show has the potential to broaden her creative horizons for producing “new Chinese art music” in the future.

“Such collaborations may also facilitate the exposure of my musical works to larger audiences,” she says.

Widening career pathways

The participation of Vietnamese pop idol Chi Pu, 30, has attracted a significant number of Vietnamese viewers to the show.

Chi has long worked as a model, singer-dancer and actress and enjoys a strong fan base in her country. Currently, she is making a name for herself in the broader Asian entertainment industry.

She considers joining the show to be an opportunity to learn from other participants and the production unit.

“There are sisters on the show who are talented in singing, dancing and acting,” she says. “I also got to know how the staff produce the show, how they arrange everything and how they take care of each participant. This is something I can learn from them and take back to Vietnam to improve my work.”

Chinese pop songs are popular in Vietnam, where many artists perform covers that are greatly enjoyed by local audiences. Being exposed to Chinese songs from a young age, Chi has developed an appreciation for their deep and meaningful lyrics.

As she grew up, she found that Chinese songs, which usually depict everyday life and evoke genuine emotions, could easily resonate with her. She believes that there are similarities between Chinese and Vietnamese pop songs.

“Learning from other countries’ cultures and music styles is necessary, as the new generations tend to listen to music from around the



Top, from left: Vietnamese pop idol Chi Pu, and Chinese performers — actress Wu Qian, singer Ella Chen Chia-hwa from Taiwan and actress Zhang Jiani — practice together for the performance of the hit Vietnamese song, *See Tinh*. **Above:** Gong and Maria establish a warm friendship in the show. PHOTOS PROVIDED TO CHINA DAILY

I could sense the anxiety of some foreign participants like Maria. However, within the nurturing ambience of sisterhood and the ethos of mutual support that permeated the program, there are always sisters who come to extend a helping hand.”

Gong Linna, Chinese vocalist



From left: A group of Chinese participants of the show, *Riding the Wind 2023* — Taiwan actress Ivy Chen, Hong Kong singer-actress Celina Jade, singer Sun Yue, singer-actress Wang Xiaomin and model-turned-actress Qu Ying — perform together.

globe,” Chi says.

During the show, Chi performed a hit Vietnamese song called *See Tinh* alongside three other participants.

“I’d like to sing more Vietnamese songs in China to pique people’s curiosity about Vietnamese music,” she says.

She has recently signed up for an online Chinese language course, preparing for possible future engagements in China.

Participating in this program may serve as a pivotal moment for Japanese singer Maria, propelling her into the mainstream music market. She used to be active in the animation, comics and games industry, where she often performed theme songs for genre titles.

Seven years ago, a single by her three-member girl group Garnidelia, called *Paradise Pure Land*, went viral on Bilibili, a prominent gathering place for anime and manga enthusiasts in China, resulting in numerous covers and dance renditions. That marked a significant turning point in her music career.

“From that time onward, my life took a completely different trajectory, opening up many opportunities for me to perform overseas,” she says. “Without the success of the song, I might not have had the chance to participate in *Riding the Wind 2023*.”

Expressing her gratitude toward the Chinese fans who have shown love and support for her, Maria released a song called *Togen Renka* in 2017. This special track, for which she wrote the lyrics, was dedicated to her Chinese fan base.

With its Chinese-style arrangement, incorporating traditional instruments, and vocals partly in Chinese, Maria aimed to create a heartfelt connection with the audience.

Her adorable stage presence, impressive vocal abilities and dedicated attitude have captured the hearts of many viewers of the reality show. She once even topped the audience popularity vote among all the participants.

“I’m so happy to see that more

people know my name and enjoy my music. I hope that more people can come and attend my concerts, sharing the musical journey together with me,” she says.

In August and September, Maria will embark on a concert tour in China, including cities such as Hong Kong, Shenzhen in Guangdong province, Chengdu in Sichuan province, Chongqing, Beijing and Shanghai.

Opening hearts

Prior to collaborating with Gong on the performance of *Hua Hai*, Maria found herself in a stressful situation of self-doubt due to her Chinese language level. Learning Chinese songs within a short time frame was a major challenge.

“At that point, Gong stepped in with unwavering patience, meticulously teaching me Chinese, word by word, and explained the meaning of the lyrics for me,” recalls Maria.

Gong says: “I could sense the anxiety of some foreign participants like Maria. However, within the nurturing ambience of sisterhood and the ethos of mutual support that permeated the program, there are always sisters who come to extend a helping hand to their foreign counterparts, enabling them to integrate into the collective and overcome language barriers.”

For established singer Gong, participating in music shows is nothing new. However, her previous experiences mostly revolved around solo performances. This time, in a collaborative setting, she has had to embrace the role of harmonizer.

“I need to learn to put aside my individuality and prioritize the cohesion within the team,” she remarks.

Gong believes that the portrayal of mutual appreciation and support among women in the program, coupled with their unwavering determination to overcome hurdles and deliver wonderful performances, will inspire viewers.

“This will empower them to confront all the challenges life throws at them with courage and resilience,” she says.

Gong herself has also undergone unexpected transformations within this supportive environment.

In one episode of the show, when Maria, struggling with confidence in her own performance, quietly began to shed tears, Gong mustered the courage to open up about her lifelong inner trauma — a deep-seated belief that she was not beautiful.

“I always despised the color pink, as I associated it with being a pretty girl. My color is red, a symbol of power,” she confided to Maria.

In the process of baring their scars to one another despite the language barrier, these women found solace and healing.

Through tears, fragmented English, and body language, they comforted each other and gained confidence and strength together.

Regarding the touching moment, Gong explains that: “Seeing the other participants, all of them beautiful and with great figures, I couldn’t help but feel inadequate about my own looks. Maria, in particular, with her sweet appearance and impressive singing and dancing skills, seemed like a perfect fit for the show. However, to my surprise, even she experienced moments of self-doubt. It was in that very moment that I mustered the bravery to confront my own insecurities about my physical appearance.”

After forging this behind-the-scenes bond, the two female singers, one aged 48 and the other 31, hailing from different countries and showcasing distinct styles, took the stage for their duet in resplendent pink attire.

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LIFESHANGHAI



Chinese version of *The Price* set to make a grand debut



Play marks second time He Bing will play both director and main actor, **Zhang Kun** reports.

Directed by renowned theater actor He Bing, the Shanghai leg of *The Price* will take place from June 20 to 23 at the Shanghai Grand Theatre. The production is the first Chinese version of the renowned play of the same name by Arthur Miller (1915-2005), according to He.

Miller first visited China in 1983 upon the invitation of the Beijing People's Art Theatre and directed the first Chinese production of his masterpiece, *Death of a Salesman*. The play has since been one of the most frequently presented Western theater works in China.

The Chinese production of *The Price* premiered at the National Centre for the Performing Arts in Beijing in January before going on a national tour.

A theater actor from the Beijing People's Art Theatre, He last performed at the Shanghai Grand Theatre in 2014, when he played the leading role in the Chinese adaptation of Japanese playwright Koki Mitani's play *University of Laughs*.

The production was a huge success, with the tickets to all eight shows sold out, recalled Zhang Xiaoding, general manager of the Shanghai Grand Theatre, who described the event as "an unprecedented phenomenon at our theater for a Chinese theater production".

He, 55, arrived in Shanghai on May 23 to participate in a public discussion about the upcoming showings of *The Price* with Li Jianming, a

translator and literary critic.

"Chinese audiences are familiar with Arthur Miller and his plays, such as *The Crucible* and *Death of a Salesman*, but *The Price* had never been presented in public on the Chinese mainland," says He, when asked about the motivation behind the creation of the Chinese version of the renowned play.

"I am not so bold as to judge Arthur Miller, but I think his plays are powerful enough to reach beyond time and space," says He, who read *The Price* last year and believes the theme of guilt and responsibility, as well as the topic of strained relationships between family members, will have strong resonance with today's Chinese audiences.

"It is a dilemma faced by all human beings — do we live for ourselves, or do we live for other people? It's like an alternative version of 'to be or not to be,'" he adds.

Written in 1967, *The Price* tells a story about two brothers reuniting, decades after taking separate paths in life, to sell their late father's estate.

In the Chinese production, the big brother, Walter Franz, played by He, is a successful doctor who chooses to live for nobody but himself, while the younger brother, Victor, who is played by Zhou Shuai, lives a humble life with his wife Esther.

"The play starts with a discussion about the estimated price of the old furniture, but as it goes on, the play

Top and above: Scenes from *The Price*, which will be staged at the Shanghai Grand Theatre from June 20 to 23, featuring He Bing (top left) and Zhou Shuai (top right, right). PHOTOS PROVIDED TO CHINA DAILY

“I am not so bold as to judge Arthur Miller, but I think his plays are powerful enough to reach beyond time and space.”

He Bing, actor and director

If you go

The Price
7:15 pm, June 20-23
Shanghai Grand Theatre, 300 Renmin Avenue, Huangpu district, Shanghai
021-6386-8686

talks about all the problems one can possibly encounter in his or her lifetime," says He.

"The two brothers realize that there is no perfect choice in life and everybody has to pay the price of their own decisions. We have quite a lot of men like Walter now in China — people who have achieved considerable success in terms of money and fame in this rapidly developing economy, but are they really as fulfilled as they claim to be? What is the dark hole in his heart that draws Walter back to the old house?"

Li points out that while audiences tend to sympathize with Victor, who is the underdog, people should refrain from making moral judgments, and find the "resilience and strength of these broken characters".

"Life is cruel, but at the same time it can also empower people," she says.

The Price is the second production in which He takes on the roles of both director and main actor, with the first being the Chinese production of *Le Pere* by French author Florian Zeller in 2018.

The original 1968 production of *The Price* won several theater prizes and has been adapted several times for TV. The latest English production is directed by Conleth Hill and is being shown at the Gate Theatre in Dublin, Ireland.

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Film festival launches ticket sales as venue gets star treatment

By **ZHANG KUN** in Shanghai

Online ticket sales for films to be showcased at the 25th edition of the Shanghai International Film Festival begins at noon on Friday.

Hosted by the State Administration of Press, Publication, Radio, Film and Television, the China Media Group and the Shanghai municipal government, this year's SIFF will take place from Thursday to June 16 and showcase more than 400 films in 41 cinemas around the city.

This year, the SIFF, which is one of the 14 competitive feature film festivals in the world accredited by the International Federation of Film Producers Associations, received a total of 8,800 film submissions from 128 countries and regions. These will compete for the Golden Goblet Awards in five categories: the main competition, Asian new talent, documentary films, animation films and short films.

About half of the films were submitted between December 2021 and March 2022, and chose to stay on the competition list for a year after the 25th edition of the SIFF was postponed due to the outbreak of the COVID-19 pandemic.

The festival announced the 12 feature films shortlisted for the main competition on Monday. Three of them are Chinese films: *All Ears* directed by Liu Jiayin, *Dust to Dust* by Jonathan Li, and *Good Autumn, Mommy* by Chen Shizhong.

The most anticipated of the three Chinese films is arguably *All Ears*, which stars veteran actors Hu Ge and Qi Xi, as well as rising star Wu Lei. The film tells the story of the life of an unsuccessful playwright who finds a new job writing obituaries. As he meets people from all walks of life and tries to console them while doing his job, the

protagonist ends up finding the meaning of his own life.

This year's SIFF jury panel will consist of 21 members from 12 countries and regions, 11 of whom are from China. The jury members will not only work as judges for the five-category Golden Goblet Awards, but also showcase their own creations at the festival and hold panel discussions at the Golden Goblet forum to share their filmmaking experience.

One of the 41 cinemas participating in the SIFF this year is the Shanghai Film Art Center, which recently celebrated its reopening after about 15 months of renovations.

Built in 1991, the center has been the main venue for SIFF since its establishment in 1993. The 1,008-seater main auditorium, where many international blockbusters have made their China premieres, now has a Dolby laser projection system and immersive audio system, making it one of the first Dolby auditorium with more than 1,000 seats in Asia.

A 29-meter-long and 6-meter-wide canopy LED screen has also been installed in the lobby of the center to showcase trailers for new movies.

The renovation involved opening new passages between the film center and neighboring buildings. The outdoor stairs have also been removed to create more public space in front of the center.

"We want to break down the boundary between the center and the community and welcome more people to come and enjoy the art of movies," Wang Jian'er, president of the Shanghai Film Group, told local media.

"I believe the attraction of film art, together with the tree-lined street view and historical buildings along Xinhua Road, will make this center a popular leisure hub for film lovers and other people," he added.



Top: *All Ears*, a film shortlisted for the main competition section at the 25th edition of the Shanghai International Film Festival.

Above left: *Dolphin Boy*, a film in the animation section.

Above Right: *Leap of Faith*, a film in the documentary section. PHOTOS PROVIDED TO CHINA DAILY

Glassblowing prodigy shines in the spotlight

By **ZHANG KUN** in Shanghai

Young glassblower Zhao Jinya is the first Chinese artist to be featured at the Liuli China Museum in Shanghai. Her solo exhibition *Nebulosity Walk in Thy Memory* is showcasing more than 30 works from May 18 to Sept 3.

Born in 1994, Zhao is a doctoral candidate at the Royal College of Art, London, who has had many of her works collected by museums and galleries at home and abroad, including the Victoria and Albert Museum in the United Kingdom, the Prague Gallery of Czech Glass, the Qingdao Art Museum in Shandong province and Southern Illinois University in the United States.

At the opening of the exhibition, Zhao described the event as a summary of her experiences over



Zhao Jinya pictured with her glass creations at the artist's solo exhibition at the Liuli China Museum in Shanghai. PROVIDED TO CHINA DAILY

the past decade.

The curator of the show, Feng Zhengting, said he arranged the exhibits according to when they were created, to reflect the artist's evolution and development starting in 2018. Zhao started her

career in the glass studios of Zibo, Shandong province, before moving to Jingdezhen, Jiangxi province, and then onto the UK.

"When viewing Zhao's glass sculptures, one may experience a sense of strangeness as the pieces

present themselves in an unexpected manner, with hazy layers of colors and curvy shapes that soften the edges of the glass, a material that is typically sharp and cold," said Feng.

The exhibition also showcases

If you go

Nebulosity Walk in Thy Memory: Zhao Jinya's Glass Art Exhibition
10 am-6 pm, May 18-Sept 3
Liuli China Museum, 25 Taikang Road, Huangpu district, Shanghai
021-6467-2268

some of the artist's latest experiments with watercolor and wall pieces, as well as her sketches and documentation of her creative process.

"Since 1987, when the founders of the Liuli China Museum, Loretta Yang and Chang Yi, started to work with pate-de-verre (paste of glass) for glass art and revived the

ancient Chinese glassmaking craft, we have constantly paid close attention to different methods, styles and creations of glass art in the world," Jenny Tsai, assistant director of Liuli China Museum, told China Daily.

"Emerging glass artists in China in recent years are showing dexterity with the material and have developed individualistic styles of their own. Their achievements have now been recognized by the global art scene."

Tsai noted that Zhao has a unique approach to glassblowing and has over the years not only delved into the material itself, but also constantly pushed the boundaries of techniques and experimented with the aesthetic expression of this particular medium.

"We hope the exhibition of her work will attract new audiences and initiate new dialogues between the contemporary and ancient Chinese glass art, which is featured at our museum," she said.

LIFE



Left: Domestic worker Tan Qirong (front), two audience members and four other domestic workers perform the dance *Fen Shen* during a livestreamed event. Right: Domestic worker Niu Huiling (right) hugs fellow worker Tan. PHOTOS PROVIDED TO CHINA DAILY



Moving performance highlights art therapy

Livestream shines spotlight on domestic workers and the organization helping them battle life's emotional burdens through artistic means, **Xu Fan** reports.

Bathed in the soft, warm stage lights, two dancers dressed in all-white outfits gaze at each other with deep emotion in their eyes. Slowly, they move toward one another and embrace tightly, as if they were long-lost family members reuniting after many years apart.

The scene is both touching and infectious, but what makes it even more remarkable is that the two performers are not professionals, but rather amateurs who work as domestic workers in Beijing.

At a livestreamed event organized by Tencent News and Tencent Public Welfare on May 20, the two dancers joined a group of guests, mostly ordinary people who use art to find relief from the burdens of life and reignite their sense of hope, sharing how they shake off loneliness and stress in the metropolis while working as nannies.

Other guests included an 82-year-old woman who helps her husband fight the creeping symptoms of Alzheimer's disease with dance, and a young woman with cerebral palsy who launched a non-profit organization to help other women in her position.

The event attracted thousands of online viewers, with some of them commenting that the most impressive part was the performance by the amateur dancers and their stories.

The dance, titled *Fen Shen* (Multiple Roles), has brought together almost 100 female domestic work-



From left: Shao Wenting, hostess of Tencent News, domestic workers Tan Qirong and Niu Huiling, Yan Weixu, a representative of Beijing Hongyan Social Work Service Center, and director Liao Shuyi, at the event. PROVIDED TO CHINA DAILY

ers from the Beijing Hongyan Social Work Service Center, a public welfare institution that aims to assist domestic workers to enhance their cultural and job-related skills. The participants dedicated their only day off each week, over the course of 36 weeks, to rehearse for the performance.

Niu Huiling, one of the two dancers, is a former rural school teacher from Linfen in Central China's Shanxi province. After working in education for 27 years, she had to leave her hometown and seek better-paying work in Beijing due to financial stresses caused by her husband's illness.

"My son had just got married, and we had built a new house in the village. But then my husband fell ill, and we incurred a large amount of debt. My daughter bought me a train ticket to Beijing, so for the first time in my life, I embarked on a new journey alone," she recalls.

It was winter in 2019, about two months before millions of Chinese returned to their hometowns to celebrate Spring Festival, which is the most important family reunion of the year.

However, Niu did not have any excitement for celebrating the upcoming Lunar New Year. Instead, she dragged her tired body from one recruitment agency to another, with the aim of landing a job as a domestic worker as soon as possible, so that she could accumulate the necessary 10,000 yuan (\$1,410) within two months.

On the eve of Spring Festival, Niu achieved her goal of earning the targeted income. The success encouraged her to return to Beijing one year later as she still faced financial problems. However, due to the COVID-19 pandemic, there were fewer opportunities for domestic work, so she had to take an unstable job selling food packed in paper boxes to labor workers on a construction site.

"I had been working for three to four months when I received a call from home informing me that my husband's condition had deteriorated. When I returned home, he had already been sent to the intensive care unit. We spent the last 100 days of his life in the hospital," recalls Niu.

Despite enduring immense grief, economic pressure compelled her to return to Beijing for work after the funeral. Over the following months, struggling with a sense of helplessness, she coped by jogging and drinking — until she joined the Hongyan center and found comfort in dancing *Fen Shen*.

For Tan Qirong, the other dancer and domestic worker joining the Tencent event, the dance also served as a hub to ease her emotional pain. Previously working at a factory in Langfang, Hebei province, Tan, a native from Mianyang in Sichuan province, switched careers from being a delivery person to a domestic worker in the Chinese capital in 2019.

"I was working in Beijing when my father passed away, but my family didn't inform me until six months later. It was a painful experience that I kept buried deep inside. However, during the rehearsal of the dance, I finally felt like I could release my emotions and find peace," says Tan.

According to statistics from the Ministry of Commerce, as of 2021, China had an estimated 37.6 million domestic workers, with most of them being rural females in cities engaged in babysitting or taking care of the elderly, as reported by Southern Weekly, a Guangzhou-based newspaper.

Yan Weixu, the producer of the performance, believes that domestic workers are "invisible residents" of cities, and she hopes that art can help them boost their confidence and enable them to voice their needs and requirements.

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Designer taps into bicultural upbringing

SYDNEY — While big brands often commandeer the spotlight at a fashion week, up-and-coming new faces can also turn heads as they hold the potential to wow the industry with their creativity.

Awarded as one of the four Next Gen designers by Australian Fashion Week, Xizhu Wu finished her debut runway show in a refurbished gallery at the Carriageworks in Sydney, beaming with joy and relief.

"It's my first proper runway show, which I'm very excited about, but I'm feeling a lot more relieved now that the show's over. Now I can relax a little, move on and focus on the next thing," Wu says.

For the young Chinese Australian who founded her own label Xi Wu Studio, it took about five months to create a brand-new collection, from sketches to ready-for-runway pieces, with "nostalgia" as the core concept.

By reworking her previous designs in new fabrics, including crinkle wool, flannel wool, silk and floral knit, Wu fused pattern-making and garment construction techniques originating from the East and the West. Her well-tailored attire impressed fashionistas with its unexpected detailing.

"I wanted to start again with some older pieces so that everyone can see what I've done in the past, what I'm doing now, and what direction I might take in the future," the designer says.

"It's also about my bicultural upbringing," says Wu. "I put everything into the collection to reflect my emotions and how I perceived my upbringing."

Wu grew up in South China's Guangdong province until the age of 5 and then moved to Australia with her parents. Both Eastern and Western culture have left their stamp on the aesthetic of the designer's work, which was mirrored in the garments on the runway.

"For example, in Eastern culture, the garments are flatter with more coverage. There is room for movement and there are a lot of layers, whereas in Western culture, it's more tailored and fitted to your body," Wu says, noting that she tried to keep a balance between the two styles.

In her collection, an asymmetrical blazer bonded with a reflective knit was perfectly matched with a pair of loose-fitting, twisted pleat trousers. A green cropped jacket and miniskirt combo featured a Chinese floral pattern, with a jade charm dangling at the model's waist as she strutted down the catwalk.

The innovative designer also stitched frog buttons on a layered blazer, made laser-cut acrylic accouterments using the Chinese character *fu* as a motif, and reinvented traditional cotton textiles for a more contemporary look.

"When I was researching Chinese traditional garments from the Ming (1368-1644) and Qing (1644-1911) dynasties, I saw elements such as flat, baggy layering, slits and ties. These are the elements that I have incorporated into my designs," Wu says.

From quilted clothes worn by people in China, the peony painting hung up on the wall at her grandmother's house, to the decor in tea houses where she had dim sum with her family, all things Wu saw growing up became a source of inspiration. Wu says that as she grew older, she developed a deeper understanding of Chinese culture. What Wu once regarded as "old-fashioned" now looked "actually quite cool" to her. "And I can apply my own style," she says.

Meanwhile, Wu appreciates her experience of living in Australia. It was on a textile course in high school that Wu got her first glimpse of the fashion industry. With encouragement from her teachers, who she invited to her show, Wu decided to pursue a bachelor's degree in design at the University of Technology Sydney.

After reaching a major milestone at the 2023 Australian Fashion Week, Wu is thinking about extending the collection, having a few pieces available for preorder and creating custom garments.

The 25-year-old designer follows a one-step-at-a-time approach to her burgeoning career, saying that she may hold her first solo show next year.

XINHUA

Forum offers a taste of tea industry's potential

By CHENG YUEZHU
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Tea industry and culture experts stressed at a recent forum in Beijing that coordinated efforts to promote tea culture, the development of the tea industry and the use of technology in the sector are required.

Traditional tea processing techniques and associated social practices in China were inscribed on UNESCO's Representative List of the Intangible Cultural Heritage of Humanity at the end of last year.

The inscription encompasses a total of 44 national-level intangible cultural heritage projects from 15 provinces, autonomous regions, or municipalities. Among them, Fujian province contributes six elements, including Wuyi Mountain rock tea.

According to Ye Yuangao, deputy head of Wuyishan Tea Science Society, this type of tea was one of the earliest varieties to be introduced to the European and American markets during the 17th century.

Along with tea making, rich cultural practices emerged, such as rituals performed on mountains during springtime in the hope of encouraging a bountiful harvest, or *chabaxi*, whisking powdered tea and creating images on the



Left: Performers present a dance with a theme based on tea picking at the forum's opening ceremony. Right: Guests and delegates learn about, and taste, various types of tea during the forum. PHOTOS PROVIDED TO CHINA DAILY



foam that forms on top.

"We should continuously strengthen the protection, inheritance and development of intangible cultural heritage related to tea, establish a comprehensive protection system, and construct tea culture exhibition halls, heritage sites and training centers," Ye says.

He also suggests it is important to organize performances that center on tea culture, host cultural tourism festivals and expos, and arrange activities that engage tourists in experiencing tea production techniques and

exchanging with tea makers and sommeliers.

The forum emphasized that the tea industry encompasses not only tea cultivation and processing, but also a diverse range of tea-related products, including food items that incorporate tea leaves as an ingredient and teas that promote good health.

The latter was highlighted by Tian Xueyuan, a member of the Chinese Academy of Social Sciences, in his speech, saying that he drinks a type of fermented tea daily to maintain well-being.

In order to promote the develop-

ment of the tea industry, Tian proposes that tea enterprises should uphold tradition while seeking innovation in order to ensure high-quality growth.

"The tea industry is currently facing several issues that are hindering its development. These include a limited range of tea products, a lack of diversity in processing methods, intense competition among similar products, and low added value," Tian says.

"In line with China's high-quality development strategy, the tea industry needs to not only expand production capacity, but

also improve efficiency, as well as pursue transformation and upgrading."

During the event, a short film series titled *Tea Road* was announced. The title refers to an important trade route connecting China with other Eurasian countries, which emerged after the ancient Silk Road.

Set during the Qing Dynasty (1644-1911), the series will depict how merchants from Shanxi and Fujian provinces took tea abroad, fueling the prosperity of the tea trade and China's cross-border commercial exchanges.