

INSIGHTS

China's Economic Growth Upturn Boosts Global Recovery

Voice of the World

Edited by QI Liming

The purchasing managers' index (PMI) for China's manufacturing sector came in at 50.8 in March, bouncing back to expansion territory, data from the National Bureau of Statistics showed on March 31. Experts said the accelerated recovery of China's manufacturing sector has contributed to the steady growth of the global economy, and other positive economic signals also highlight China's contribution to the economic recovery.

According to Bloomberg, investors are turning more optimistic about China's economy after China's official manufacturing PMI registered the highest reading in a year, alongside strong exports and rising consumer prices.

"Emerging optimism about China is real," said Vishnu Varathan, chief economist for Asia ex-Japan at Mizuho Bank in Singapore. It may gain traction given "corresponding optimism elsewhere in Asia that dovetails with an upturn in global manufacturing," he said.

According to CNBC, Wang Zhe, a senior economist at Caixin Insight Group,



Workers at an intelligent machinery manufacturing enterprise in Weifang, Shandong province, March 31, 2024. (PHOTO: VCG)

said, "Overall, the manufacturing sector continued to improve in March, with expansion in supply and demand accelerating, and overseas demand picking up."

The latest growth extended the rising trend shown by the non-manufacturing PMI in previous months, adding to the evidence that business activities in China's non-manufacturing sectors continue to gain steam.

According to the *Wall Street Journal*, China's service sector continued to regain momentum, Capital Economics economists said, with the PMI average rising. The positive service-sector readings come as China's factory activity also signaled a stabilizing economy. With all the upside surprises in data so far this year, the economy could be on track to hit China's target for GDP growth of

around five percent this year, Citi economists wrote in a note. Citi has upgraded its forecast for China's 2024 growth to five percent from 4.6 percent, citing improved policy delivery and upbeat consumption and investment figures.

HSBC CFO Georges Elhedery said the lender was confident in China's economy. "We're looking at major economic transition which is taking place, which gives us very strong grounds to be very positive about the medium- and long-term outlook," Elhedery said.

He remarked that China's economic maturity has reached such a stage that now is the "right time to transition into what more mature economies are." He characterized this maturity as being more reliant on consumers, the service industry and high-value and sustainability-driven products, such as electric vehicles and batteries.

According to the latest report released by the ASEAN+3 Macroeconomic Research Office, China's economy is set to expand by 5.3 percent this year, which will help to lift growth in the region. A gradual property sector recovery in China amid ongoing policy support would boost real estate investment, generating spillovers for the rest of the region, the Singapore-based group said on April 8.

Comment

Rising Soft Power Brings Global Benefits

Edited by QI Liming

China's international image is being recognized as an increasingly impactful soft power, according to *Brand Finance's 2024 Global Soft Power Index*. The report, released in February 2024, ranked China in third place, surpassing both Japan and Germany. This marks the most substantial improvement for any nation on the index this year, with China's score increasing by 6.2 points.

The improvement of China's soft power is not only a manifestation of its enhanced overall national strength, but also brings more opportunities and benefits to the international community.

Significant boost of international image

As a global brand valuation agency headquartered in London, Brand Finance publishes the Global Soft Power Index based on a survey of more than 170,000 respondents from over 100 countries, who gather data on global perceptions of all 193 member states of the United Nations.

Brand Finance defines soft power as "a country's ability to influence preferences and behavior on the international stage through attraction or persuasion rather than coercion." There are many definitions of soft power in the world, but in general, soft power is the concentrated embodiment of a country's attractiveness, influence and appeal.

The Place Brand Observer website said that one of the biggest surprises this year was China moving up to third place, and the marked progress across nearly all pillars reflects China's rising global reach, thanks to its growing influence in business, trade and education.

Forbes business magazine noted that China is the index's fastest mover, showing the country's significant edge in business and trade attributes, which feeds into the final assessment of soft power. China's ascendance as a soft power tallies with its growing status as an economic force and underscores the link between soft power and the hard-nosed world of business.

David Haigh, chairman and CEO of Brand Finance, said, "*The Global Soft Power Index 2024* underscores the com-

plex interplay between global events and economic shifts in shaping soft power. As nations navigate these dynamics, the importance of a strategic approach to nation branding, supported by perceptions research and financial analysis, becomes increasingly evident."

Sharing dividends of China's development

Dr. Ricardo E. Buitrago, a research professor at Mexico's EGADE Business School, said that in rising economies, economic influence is a crucial component of soft power. As the economies of these nations continue to expand, they are becoming increasingly significant trading partners and investors on the international stage.

The robust momentum of China's development has become the global driver, whose spillover effect has created more opportunities for the world. The success of online retail platforms like Temu and Shein and the international recognition of Chinese electric vehicles serve as good examples.

China's emphasis on innovation-driven development has positioned it at the forefront of crucial fields such as digital technology and renewable energy. This not only boosts China's economy but also offers quality products and services that meet the needs of global consumers, fostering a shared sense of progress and prosperity.

Meanwhile, the tangible results yielded from the Belt and Road Initiative, the Global Development Initiative, the Global Security Initiative, the Global Civilization Initiative and other Chinese proposals have continuously strengthened the world's appreciation of China's positive national image and contributed to the ongoing enhancement of China's soft power.

For example, the China International Import Expo and other Chinese exhibitions "reflect the desire of China to cooperate with other countries to achieve common interests in a way that reflects joint development for China and the world," said Diaa Helmy, secretary-general of the Cairo-based Egyptian-Chinese Chamber of Commerce. "Those initiatives and expos are an indication that China opens its arms to all to achieve win-win cooperation," added Helmy.

Opinion

Innovation Key to New Quality Productive Forces

By GONG Qian

According to the *2024 Government Work Report*, China will modernize its industrial system and develop new quality productive forces at a faster pace. It will give full rein to the leading role of innovation and spur industrial innovation with progress in science and technology.

But how can innovation play a leading role in developing new quality productive forces? At a recent symposium, experts discussed how it could be done.

Sci-tech innovation and institutional reform

To develop new quality productive forces, innovation in both science and technology and institutional mechanisms is important, said Chen Zhi, a research fellow from the Chinese Academy of Science and Technology for Development (CASTD).

Innovation means a revolutionary breakthrough in science and technology. Its challenge lies in facilitating a deep transformation and upgrade of industries, which will then be reflected in the construction of a modern industrial system.

Science and technology system supports the modern industrial system in two ways: First, by making the latter

advanced and complete. A key mission is to strengthen the technological foundation in China's competitive industries, such as new energy vehicles and high-speed rails. Second, it safeguards the security of the modern industrial system. Giving full play to the new system of pooling national resources and strengths to consolidate R&D of key core technologies is a way to make China's key industrial chains more resilient and stable.

At the same time, it is also necessary to accelerate establishing scientific research organization models and management methods that adapt to the development of new quality productive forces. Optimizing the allocation of talent, capital, technology and other resources will improve the efficiency of sci-tech investment and output.

Transforming scientific achievements

Only by transforming scientific achievements into actual productive forces, especially new quality productive forces, can original driving force of innovation-driven development be fully released. In this way, science and technology can be the primary productive force, said Ding Minglei, another research fellow from the CASTD.

How to transform scientific achievements into new quality produc-

tive forces? Ding said it involves at least three aspects.

First and foremost, by increasing the supply and transformation of high-quality scientific achievements. So strong support is needed for the creation of high-quality intellectual property rights. Industries and social capital should be encouraged to invest in cutting-edge technologies and future technologies with strategic significance.

Second, by nurturing future enterprises and industries to concentrate on disruptive technologies. A new mechanism should be constructed for the development of new quality productive forces where enterprises play the principal role in sci-tech innovation.

Third, by building new infrastructure based on the new sci-tech revolution and people's wellbeing. The construction of digital infrastructure integrating new technologies such as 5G, AI, the Internet of Things, big data and cloud computing should be accelerated, thus advancing the construction of green and smart cities.

Role of platform enterprises

With data elements playing an increasingly prominent role in building a digital China, they should be better utilized in the process to develop new quality productive forces.

Platform enterprises, such as tech giants Tencent, Alibaba and Baidu, which are owners and operators of data elements as well as hubs for data circulation and transactions, have accumulated a large amount of data at both the industrial and user ends. This gives them remarkable advantages in data integration.

Yin Ximing, an associate researcher in the School of Management, Beijing Institute of Technology, and also the Tsinghua University Research Center for Technological Innovation, emphasized the crucial role of platform enterprises in accelerating the transformation of data elements into new quality productive forces.

Yin said it is vital to open and cultivate more application contexts of data elements, promoting deep integration of the digital and real economies. Second, more public policies are needed to encourage platform enterprises to cooperate with data exchanges and trading centers, promoting the trading and interactions of data elements within and outside the market. Finally, platform enterprises should proactively carry out international exchanges and cooperation to tap the value of data elements for a global digital-driven inclusive development.

Hi! Tech

Tech Products Shine in Hainan Expo

By QI Liming

The 4th China International Consumer Products Expo in Haikou, capital of Hainan province in south China, showcased the progress in scientific and technological innovation. The six-day expo in April displayed many "black technology" products such as cognitive large models and driverless manned aircraft.



A jewelry company displays jewelry ornaments designed with AI technology. (PHOTO: XINHUA)



Latte Coffee robots make coffee for visitors. (PHOTO: XINHUA)

Green Cooperation a Win-win for China and Germany

By TANG Zhexiao

This year marks the 10th anniversary of the establishment of an all-round strategic partnership between China and Germany.

Over the past decade, Sino-German relations have grown significantly and there is huge potential for win-win cooperation in both traditional sectors such as machinery and automobiles, and new areas such as low-carbon transition, digitalization and artificial intelligence.

In 2023, German direct investment in China was 11.9 billion euros (about 12.82 billion USD), reaching a 10-year high, while China has been Germany's largest trading partner for eight consecutive years.

A business confidence survey conducted by the German Chamber of Com-

merce in China indicates that more than half of the respondents intend to increase their investments over the next two years.

It is obvious that mutually beneficial cooperation between China and Germany is not a "risk," but the guarantee for a stable bilateral relationship and an opportunity for the future.

German Chancellor Olaf Scholz's recent trip to China, during which he visited a number of German firms in the areas of renewable energy and materials, also indicates that the two sides have great potential in green technology cooperation. Scholz said the two sides will hold a dialogue on climate change and green transition.

Yang Chengyu, an associate research fellow at the Institute of European Studies of the Chinese Academy of Social Sciences, told the *Global Times*

that green energy cooperation may be one of the most important focuses in the future, given the energy crisis in Europe over the past two years.

Both Beijing and Berlin will focus on strengthening the circular economy, making industrial processes more climate-friendly.

In March, Zheng Shanjie, chairman of China's National Development and Reform Commission and German minister for economy affairs and climate action Robert Habeck officially launched the Sino-German intergovernmental dialogue and cooperation mechanism on climate change and green transition.

As part of the International Climate Initiative of the German Federal Government, GIZ East Asia hosted a "Networking Workshop for Climate & Environment Cooperation with China" in De-

cember 2023 after COP28, bringing together climate and environment community actors in Beijing to foster exchange.

The Sino-German Ecopark, located in east China's Qingdao, is an exemplary Sino-German cooperation project for sustainable development. According to Wang Li, deputy director of the park's management committee, they learned from Germany's experience of constructing ecological cities.

Since its establishment in 2013, the park has won more than 20 honors in low-carbon development and has been selected as a national green and ecological demonstration zone.

Cooperation benefits both sides. To achieve a green transition in the future, China and Germany should strengthen collaboration and draw upon each other's advantages.