

Investing in China, Investing in the Future

Voice of the World

Edited by QI Liming

China will further expand its high-level opening up, offering more opportunities for foreign investors to engage in deeper operations in the country. In early March, to better meet the diverse payment needs of foreigners, the People's Bank of China released a guideline to optimize the payment services of bank cards, promoting cash use and facilitating mobile payment.

This endeavor shows the country's determination to further open up, deepen multilateral and bilateral cooperation, and work for more practical outcomes, providing more convenience for foreigners to work and live in China. These efforts were welcomed broadly.

Kristalina Georgieva, managing director of the International Monetary Fund (IMF), said during the China Development Forum (CDF) 2024 that the IMF is willing to deepen cooperation with China for the country's economic transformation and upgrading, reform and opening up. "We are seeing China embarking on necessary reforms, so China's strong performance from the past can continue," she said.

Tim Cook, CEO of Apple, said the company will continue to ramp up R&D investment in China. He mentioned that Apple's China-based suppliers had



A growing China benefits the world, and an open China brings more potential. (PHOTO: VCG)

helped deliver gains in more sustainable manufacturing, including lowering water use and recycling metals like aluminum and cobalt.

Stephen von Schuckmann, a board member and executive at the ZF Group who oversees the auto supplier's battery-drive operations, said the company was committed to China, which leads the world in electric car sales and production. "Any wording and hype about an exodus in the supply chain is not what we follow," he said. "We're invested. We're here to stay."

Amin H. Nasser, Aramco president

& CEO, said, "China has a vitally important place in our global investment strategy. We are not mere investors, and China is not just a market to us. We want to be a partner of first resort in China's economic development journey, as new opportunities clearly come into focus." "It is equally clear to us that with China's emphasis on high quality development, even greater investment and cooperation opportunities are emerging," he added.

"L'Oreal will continue to invest in China as we believe investing in China is investing in the future," said Nicolas Hi-

eronimus, CEO of the France-based cosmetic giant, adding that the CDF reflects China's determination to embrace a new era of high-quality development.

Kim Fausing, president and CEO of Danfoss, a leading Danish energy efficiency solution company, said China's reaffirmed pledge to further opening up and improvements to the business environment, especially the protection of intellectual property rights, gives them strong confidence to continue investing in the country.

Pascal Soriot, CEO of British biopharmaceutical giant AstraZeneca, said, "We are here because China is at the forefront of using artificial intelligence, biotechnology, and renewable energy to shape the future of healthcare, and we believe that Chinese-born innovation can help millions of patients worldwide."

In addition to the feedback from entrepreneurs from various industries, China's authorities have adopted a multi-channel survey to fully release the potential of opening up.

Minister of China's Ministry of Commerce (MOFCOM) met with leaders of foreign businesses in Beijing in February to learn the needs of foreign entrepreneurs. Attendees were encouraged to share specific challenges about doing business in China. "The impression that most of us were left with was there's a genuine desire by MOFCOM to deliver on these concrete examples," Jens Eskelund, president of the EU Chamber of Commerce in China, said.

Stunning Indicators Call for More Joint Climate Action

Opinion

By GONG Qian

The World Meteorological Organization (WMO) is sounding a red alert to the world. A new report by the WMO in March showed that in 2023, records were broken, and in some cases smashed, for ocean heat, sea level rise, Antarctic sea ice loss and glacier retreat.

"Sirens are blaring across all major indicators... Some records aren't just chart-topping, they're chart-busting. And

changes are speeding up," United Nations Secretary-General António Guterres warned.

Facing a never-before-met challenge, joint efforts to reverse the trend should be strengthened.

The good news is that there is a glimmer of hope. Renewable energy generation has surged to the forefront of climate action for its potential to achieve decarbonization targets. In 2023, renewable capacity additions saw a steep rise, increasing by almost 50 percent to nearly 510 gigawatts from 2022, the highest rate observed in the past two decades, according to a report by the International Energy Agency

(IEA) in January.

This remarkable increase is due to the global consensus on green transition. More countries are taking action to tackle climate change as they realize its economic and environmental significance. The IEA said the increases in renewable capacity in Europe, the U.S. and Brazil hit all-time highs in 2023. By 2028, solar PV and onshore wind installations are expected to more than double in the U.S., EU, India and Brazil compared with the last five years.

China commissioned as much solar PV as the entire world did in 2022, while its wind additions also grew by 66 percent year-on-year, according to the IEA report. The country plays a critical role in reaching the global goal of tripling renewables. The IEA forecast that China will account for almost 60 percent of new renewable capacity expected to become operational globally by 2028.

"Renewable energy generation is increasing fast but not fast enough," Dean Cooper, World Wide Fund for Nature (WWF)'s global energy lead, said in response to the IEA report.

This highlights the importance of the agreement among countries at the UN COP28 in Dubai last year to shift away from fossil fuels and triple renew-

able energy generation.

The participating countries are delivering on their commitment. On March 21 to 22, leaders and ministers from around the world gathered at the Copenhagen Climate Ministerial, the first high-level meeting since COP28, to discuss how to turn the words of the agreement into global action.

At the Ministerial, COP28 President Dr. Sultan Al Jaber revealed a new historic initiative — the COP Presidencies Troika. It is a first-of-its-kind partnership that came out of COP28, uniting COP28 with the next two COP presidencies, Azerbaijan and Brazil. The Troika is aimed at enhancing continuity between the COPS and driving ambitious collaborative climate action.

"This Troika will help to ensure that the next crucial round of Nationally Determined Contributions [is] in line with keeping our collective North Star of 1.5° C within reach," Al Jaber was quoted as saying by Türkiye's Anadolu Agency.

As global energy emissions are expected to hit their peak by 2025, this is a critical year to ask all parties to dedicatedly perform their obligation to avoid the devastating impacts of climate change on the earth — the only home for humans.

battery industrial chains support NEV manufacturers such as XPeng and GAC Aion in their entry into the field of eVTOL. The domestically produced autopilot aircraft EH216-S received an airworthiness certificate from the CAAC and has completed its commercial maiden flight, carrying human passengers.

New driver for other industries

The low-altitude economy has a locomotive effect and its wide application scenarios will help drive the common development of downstream industries.

The development of low-altitude technology can solve the main difficulties in logistics distribution, emergency rescue, surveying and mapping, agricultural production, safety monitoring, urban management, cultural tourism, film

and television shooting and other application scenarios, breaking through the constraints that restrict the development of related industries, significantly improving production efficiency, and creating more jobs.

New driving forces have been formed for manufacturing and exports. In 2023, the volume of China's civil drone industry exceeded 120 billion RMB, ranking first in the world, and is expected to exceed 200 billion RMB by 2025.

Currently, China has become the world's largest exporter of UAVs, especially in the consumer drone field, occupying 74 percent of the global market share, and industrial drones also occupy over 55 percent of the global market share.

Comment

Tech Innovation Ensures China's Edge in Global EV Market

By GONG Qian

Chinese electric vehicle (EV) automakers have recently faced mounting pressure when expanding their overseas markets. Currently, the UK and the U.S. are poised to launch an anti-subsidy probe into Chinese EVs, along with an investigation into the national security risks they pose. The coalition alleges that China has gained a competitive edge from so-called unfair subsidies, making the introduction of tariffs a distinct possibility.

However, the global popularity and competitive edge of Chinese EVs is based on technological innovation and superb quality, rather than government subsidies.

According to Mokter Hossain, an assistant professor at the College of Business and Economics, Qatar University, the competitive edge of Chinese EV companies is the result of a multifaceted strategy that combines governmental support, market scale, rapid innovation, and strategic global positioning.

In Hossain's article published in *California Management Review*, he summarizes several technological factors that explain why China holds an advantage. One is rapid innovation and product development. They've been quick to adopt new technologies, such as advanced battery technologies, autonomous driving features, and connected car services, which often bring new models and features to market faster than their international competitors.

Among those, advanced battery technology, regarded as the "heart" of EVs, cements China as the auto industry leader. China is dominant in the production of budget-friendly cobalt-free battery solutions. Lithium iron phosphate (LFP), for example, is currently a proven low-cost chemistry that adheres to many automotive like-to-haves such as low cost, high life cycle capability and good safety, and is primarily produced in China, Oliver Petschenyk, a powertrain expert analyst at GlobalData,

told Just Auto, an automotive industry news site and part of leading information service company GlobalData.

The focus on advancing battery technology has led to improvements in energy density, charging speed, and battery life, enhancing the performance and appeal of Chinese-made EVs, said Hossain.

More importantly, many Chinese companies have been focused from the beginning on EVs, unlike traditional automakers who are switching from internal combustion engines. This allows them to design and optimize their vehicles specifically for electric propulsion without being constrained by legacy systems.

On this point, Western car manufacturers are suffering from self-inflicted pain as they delayed the all-but-inevitable switch to EVs, having betted on massive gas-guzzlers for too long, according to an opinion article in Project Syndicate coauthored by Gernot Wagner, a climate economist, and Shang-Jin Wei, a professor at Columbia Business School.

What the Western countries should worry about is not China's threat to their domestic market but how to solve their internal problems. Take the EU as an example. It has been trapped by the "shackles" of higher buying prices due to the higher cost of battery manufacturing, rising cost of energy, unimproved charging infrastructure and insufficient expertise.

The fundamental solution to jump out of the trap and improve its global competitiveness is to enhance technology innovation rather than imposing tariffs. Tariffs, aimed at Chinese EVs or other products such as solar panels, which are crucial for the global green transition, are not justifiable, said Wagner and Wei.

The electric vehicle is a globalized industry. Only division of labor and cooperation can bring mutual benefits, and only fair competition can bring technological progress, said Lin Jian, spokesperson of the Foreign Ministry.

Hi! Tech

Seaweed Fiber Revolutionizes Garment Making

By QI Liming

Researchers at Qingdao University have succeeded in extracting algin from seaweed to make seaweed fibers. Following an innovative breakthrough in technology, the seaweed fiber has been found to have self-extinguishing and low smoke output in fire situations, making

it perfectly suitable for fireproof material.

Compared with the planting and extraction of traditional fiber materials such as cotton, flax, wool and silk, the extraction and processing of seaweed fiber can almost all be converted into various products, realizing the green, safe and environmentally friendly production concept.

At present, seaweed fiber can be used to spin yarn and weave cloth, and make a variety of colorful clothing after dyeing. The strength of seaweed fiber is 1.5 times that of traditional cotton, while the texture of the fiber is close to cashmere, which is very comfortable to the skin.

After nearly two decades' R&D, a mu (about 670m²) of sea area can produce four to eight tons of dry seaweed, which can be converted into one to two tons of seaweed fiber, and the fiber yield is three to six times that of a mu of cotton field.

To date, Qingdao already has the world's largest production line of seaweed fiber for textile and garment use, with an annual production capacity of 5,000 tons.



Qingdao University researchers show seaweed fibers. (PHOTO: Screenshot from CNR video)

Low-altitude Economy Takes Off

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It has also supported the establishment of 20 UAV pilot zones and helped enterprises to carry out drone logistic pilots in Jiangxi, Guangdong, Shaanxi, Sichuan and other provinces.

Mature technology and industrial chain

China has made rapid progress in low-altitude economy related technologies. In recent years, the patent applications and authorizations in China's UAV industry have shown a significant increase, with patent applications accounting for nearly 80 percent of the global total.

Small aviation engines, high-energy

density batteries, digital image transmission and other technologies related to low-altitude aircraft have all been domestically produced and reached international standards.

The domestic low-altitude economic industrial chain is also constantly improving. A group of global leading enterprises have emerged from upstream suppliers of raw materials and core components such as batteries and motors, midstream manufacturers of drone and aircraft, as well as downstream applications.

Meanwhile, the mature domestic new energy vehicle (NEV) and lithium