

Cross-border Trade, Investment Get Boost

Policy

By CHEN Chunyou

Recently, a guideline on strengthening commercial and financial coordination and supporting the high-quality development of cross-border trade and investment was released by the Ministry of Commerce (MOFCOM), the People's Bank of China, the National Financial Regulatory Administration and the State Administration of Foreign Exchange.

A notable feature of this guideline is to uphold the integrated approach to economics and finance, and deepen the cooperation between commerce and finance, providing support for addressing difficulties of enterprises in cross-border trade settlement and trade financing services, said MOFCOM.

In March, the 2024 Government Work Report proposed more support for import and export credit and export credit insurance. To implement the decisions and deployments of the Central Committee of the Chinese Communist Party and the State Council, along with the feedback from the enterprises and other relevant market entities, the guideline was



A drone view of the China-Kazakhstan (Lianyungang) Logistics Cooperation Base in east China's Jiangsu province, which is a pivotal cross-border transportation hub between Asia and Europe. (PHOTO: XINHUA)

formulated to synergize commerce and finance in supporting the high-quality growth of cross-border trade and investment, according to MOFCOM.

The guideline proposes 11 measures in five categories to promote foreign

trade and foreign investment, via strengthening the guarantee of foreign financial services.

In terms of driving the growth of foreign trade, comprehensive financial services will be optimized. This includes

advancing the optimization and upgrading of merchandise trade by enhancing credit, credit insurance, policy-backed financing, and property insurance services.

In addition, new drivers of foreign trade, providing premium services for international cooperation in foreign trade supply chains, cross-border e-commerce exports, and green trade, will be implemented.

Moreover, there will be a push for the vigorous development of service trade and digital trade, with increased support from service trade funds, intangible asset-backed financing, and insurance coverage for data elements.

In order to deepen economic and trade cooperation with the Belt and Road Initiative countries, the overseas financial network will be optimized, along with credit, credit insurance, and reinsurance services for overseas investment cooperation.

To facilitate cross-border trade and investment, the payment and settlement environment will also be improved. This involves refining cross-border RMB services to better cater to enterprise needs, upgrading exchange rate hedging products, and reducing foreign exchange hedging costs for small, medium, and micro-sized enterprises.



'Financial Innovation' Where Technology, Finance Converge

By KOU Gang

Over the past decade since its inception, online English academic journal *Financial Innovation* has stood out among a wide selection of global journals. That's because throughout its evolution, the journal's original mission to "Ride the tide of interdisciplinary financial frontiers and build a platform for global scholarly exchange" remains unchanged. Sponsored by the Southwestern University of Finance and Economics (SWUFE) in southwest China's Sichuan province, the journal has over time established an editorial team from 30 countries and regions, with submissions coming from 121 countries and regions worldwide. Today, readers span five continents, downloading content in excess of 1.2 million times annually.

Pioneering academic frontiers and embracing interdisciplinary perspectives

In the modern era, the integration of technologies such as AI, big data, and blockchain into the financial industry is widely known and recognized. However, a decade ago, financial technology was still in its infancy, with limited attention from various industries.

In 2013, SWUFE recognized the potential transformative impact of the widespread adoption of mobile Internet and digital technology in the global financial sector. In response, the university decided to launch a professional international journal focusing on the intersection of technology and finance. After two years of preparation, *Financial Innovation* was officially released in June 2015 and became one of the earliest global journals to focus on the convergence of technology and finance.

At the beginning of 2016, it was discovered that the emerging blockchain technology could change the financial industry's operational mode and address existing problems in traditional finance. In response, the journal's editorial office organized two special symposiums in Chengdu, Sichuan province, and Guangzhou, Guangdong province, inviting 14 authors from China, the U.S., Australia and other countries to produce eight articles. By the end of 2016, the first special academic issue on blockchain in the global business field was launched.

This special issue received significant attention, with more than 330,000 downloads and more than 3,260 citations, propelling the fledgling *Financial Innovation* to become a leading platform for scholars worldwide to explore cutting-edge topics such as blockchain and virtual currencies.

With submissions from top international institutions such as Harvard



Kou Gang. (COURTESY PHOTO)

University, Massachusetts Institute of Technology, Columbia University, and the University of Cambridge, the international influence of *Financial Innovation* significantly increased, actively serving as a bridge connecting scholars worldwide. Increasingly diverse discussions at the annual International Workshop on Financial Innovation, led by people from different nationalities and backgrounds, also contributed to this.

In 2018, the journal was indexed in Scopus (a leading abstract and citation database) and included in the Social Sciences Citation Index (SSCI) in 2019. Since indexed by the SSCI, it has twice topped the global list in the "Social Sciences, Mathematical Methods" field, and its latest impact factor ranks among the top four percent in the "Business, Finance" field. Upholding forward-looking leadership has always been the journal's top priority. Therefore, each year, there is a focus on cutting-edge topics, inviting scholars from around the world to serve as guest editors to organize special issues, which have garnered enthusiastic responses and widespread attention.

Addressing real-world challenges and advancing human well-being

Academic journals are crucial for disseminating human knowledge, inheriting academic thought, and promoting an advanced culture. Therefore, *Financial Innovation* focused on three areas.

Firstly, the journal's development goals and endeavoring to achieve them. For the past three years, *Financial Innovation* has published over 30 papers covering key topics such as carbon emissions, energy trading, green finance, women's rights, and poverty eradication.

It also closely monitors the latest financial innovations along the Belt and Road Initiative (BRI) countries, receiving submissions from 76 countries that have signed cooperation agreements with China under the BRI and releasing a special issue in 2021. See page 3

Jiangxi Turns Waste into Green Growth

Case Study

By Staff Reporters

If you visit Nanchang and Jiujiang cities in east China's Jiangxi province, you will marvel at their lush green, picturesque mountains and clear waters. The feat they have achieved in ecological protection is the source of Jiangxi's confidence and strength for development.

The province is implementing targeted measures to promote green development and maintain its blue sky, clean water and eco-friendly land, balancing economic development with environmental protection.

From dump site to power plant

In the Nanchang Economic and Technological Development Zone, a garbage storage area whose foul odor used

to plague the people living nearby, has been transformed into a power generation site.

The Jiangxi Hongcheng Environment Co. has built two biogas power plants under the garbage storage area. Every day, three large cranes pick up the trash in their giant claws and feed it to a nearby furnace.

"The heat energy produced from burning the garbage is converted into clean electricity and supplied to the national grid for consumption needs nationwide," said Xiong Wei, vice general manager of the Hongcheng Environment. This has not only cleaned up the area, but also boosted the circular economy.

Innovative sewage treatment

The Xinjian Ecological Water Plant in Nanchang has hidden its sewage treatment plant underground. Overground, a green park has been built for leisure activities.

"We adopted the concept of 'pollution treatment underground, park overground' in building the plant," said Zeng Kai, executive vice general manager at the Jiangxi JDL Environmental Protection Co., which operates the wastewater treatment plant.

Currently, the plant treats about 20,000 tons of wastewater daily. Some of the treated water is discharged to form a water landscape in the ecological park, where people like to go for an outing. The remaining treated water meeting the discharge standards is released into the rivers or land to promote water recycling.

China Petroleum & Chemical Corporation (Sinopec)'s Jiujiang branch has also joined the ranks of eco-friendly pioneers.

Sinopec has implemented environmental control measures, achieving 100 percent compliance with the regulations for wastewater discharge, controlled emissions, and proper disposal

of hazardous waste. "Treating wastewater is as crucial as producing premium oil. It is very important to do the source control for the environment," said Yu Dingping, who is in charge of the inspection and measurement at the Jiujiang branch.

"A new equipment is used to extract organic waste from wastewater and send it directly to the hydrogenation furnace, producing hydrogen gas and saving over 300 tons of coal annually," said Tang Anzhong, an environmental protection management expert at the Jiujiang branch.

Jiujiang has built 21 urban sewage treatment plants with a daily treatment capacity of 667,500 tons. In the first quarter of this year, the proportion of the best water environment quality in Jiujiang in the national surface water assessment section reached 100 percent, as per official statistics.

Anhui's Science Fund Reform Spurs Innovation

By HONG Jingpu, WU Changfeng, LIANG Yilian

He Guangwei, chairman of Hefei Industrial Pharmaceutical Institute Co., has good reason to be excited. A research project of his company has received 18 million RMB from a special fund of the local government. Previously, the maximum funding a single project could get was only one or two million RMB.

This significant change began in 2022 when Anhui abandoned the conventional practice of allocating funding based on past budget items, revenue and expenditure. Instead, the authorities prepared the 2023 science and technology

fund budget from scratch, approving expenditures based on task priorities.

Integration of funds

Before the reform, science and technology research funds in Anhui were managed separately by multiple departments, resulting in dispersion, duplication, and low efficiency. To address this, the science and technology research funds were separated from different departments and became an integrated provincial science and technology innovation special fund, concentrating support for the province's research initiatives.

The provincial government established a special working group with a "1+1+N" work coordination mechanism in

which the two "1s" are the Department of Science and Technology and the Department of Finance, and the "N" refers to other provincial departments, explained Tan Haibin, director of the science and technology resources coordinating office of the Anhui Science and Technology Department.

Tan's department, in collaboration with other departments, focused on the most urgent and significant problems impacting Anhui's high-quality development and accordingly, formulated project guidelines. Last year, 287 projects were selected from over 1,700 applications, including the one from Hefei Industrial Pharmaceutical Institute Co.

"We were developing an innovative traditional Chinese medicine and had invested tens of millions of yuan. Funds were very tight, and we needed special support," He said. Besides 18 million RMB from the provincial special fund, the project received another 18 million RMB in municipal financial support.

Greater support for projects

Prior to the reform, the Anhui Development and Reform Commission had some project support plans but "despite the multitude of initiatives, support for individual projects was relatively weak," Tan said.

"In the past, our company received small amounts of financial support, but for the research and development of high-end industrial design software, these funds were like a drop in the bucket," said Zheng Yufeng, general manager of Hefei Jiushao Intelligent Technology Co.

In 2023, Anhui increased funds for scientific research from 400 million RMB to 1 billion RMB through fund integration. The project criteria were also revamped from 40 in 2022 to 22 in 2023. Consequently, support for a single project rose from an average of 817,000 RMB to 4.69 million RMB, a nearly five-fold hike.

Stronger innovation momentum

Hefei Visionox Technology Co. submitted its proposal for a project to address the key problems in flexible display technology. The Science and Technology Department approved it, allocating 57 million RMB in special funds. The technology has since developed significantly, with plans for large-scale mass production.

"Zero-based budgeting gives us continuous innovation momentum, helping companies achieve more results and long-term development," said Tang Wei, deputy general manager of Hefei Visionox Technology Co.

Experts and scholars across the country have a firsthand experience of sci-tech innovation in the Anhui Innovation Pavilion, June 20, 2024. (PHOTO: VCG)



Journal Review

Financial Innovation not only strives to publish innovative and cutting-edge academic papers, but also focuses on their timely and effective dissemination. Its annual paper downloads are close to 1.2 million times, with authors from 86 countries and regions, and more than 95 percent of the papers have been cited. Many articles have received attention from international media. These achievements reflect the continuous growth and progress of the journal.

Beyond the glamorous quantitative data, *Financial Innovation* stands as a beacon of "technology + finance" convergence. In 2016, it launched the world's first special issue on blockchain and finance, pioneering new disciplinary paradigms. The journal has explored a new model of using think tank insights to

serve the real economy, and produced hundreds of reports on financial support for dual carbon, financial service digital transformation, and financial security supervision, providing solid theoretical support for serving China's financial strength and the real economy.

Financial Innovation shows the flourishing outlook of cross-disciplinary frontier science and technology. I believe it can grasp the opportunities of generative AI, computational finance, and green finance, transforming a trickle of knowledge into a mighty force that promotes social progress.

— Chai Hongfeng
Member of the Chinese Academy of Engineering and dean of the Institute of Financial Technology at Fudan University.