

INSIGHTS

Chinese Private Enterprises on Upward Trajectory

Voice of the World

By LI Linxu

Despite facing increasingly fierce competition, the growth of China's private enterprises has gained more steam in recent months, thanks to more proactive and impactful macro policies as well as ever-expanding domestic demand.

Meanwhile, the enterprises are adapting to the changing market conditions and speeding up their efforts to innovate and transform their sci-tech achievements.

China's official manufacturing Purchasing Managers' Index (PMI) reached 50.1 in December 2024, indicating continued expansion in the manufacturing sector, according to data released by the National Bureau of Statistics (NBS).

"The manufacturing PMI has remained in expansionary territory for three consecutive months," said Zhao Qinghe, a senior statistician of the NBS, noting that the new orders sub-index of the manufacturing PMI rose to 51 in December, up from 50.8 in November in 2024.

Key sectors such as consumer goods and equipment manufacturing have registered accelerated growth in December, driven by the consumer goods trade-in policy and the approach of traditional festivals, according to Zhao.



A worker threads a sewing machine at a carpet factory in Cuihuangkou Town, Tianjin, north China. (PHOTO: XINHUA)

In terms of China's official non-manufacturing PMI, which tracks activity in the service and construction sectors, the index reached 52.2 in December, up 2.2 percentage points month-on-month, according to NBS data.

Bloomberg noted that the official non-manufacturing PMI showed China's services and construction activity expanded in December at the fastest pace in nine months, indicating improved domestic demand after the country rolled out a series of stimulus measures.

Meanwhile, the country's official December composite PMI, which includes both manufacturing and services activity, rose to 52.2 in December, up from 50.8 a month prior, underscoring a positive economic recovery momentum as more pro-growth measures fuel consumption demand and bolster market confidence.

In the recently held Central Economic Work Conference, policymakers urged to address the concerns and demands of enterprises in their operations,

and boost domestic demand, especially consumer demand.

China's private sector expanded at the end of last year as fiscal stimulus policy provided support to growth, RTTNews commented, citing the official PMI data released by NBS.

As the private sector contributes more than 50 percent of China's tax revenue, more than 60 percent of its gross domestic product, over 70 percent of its tech innovation and over 80 percent of its urban employment, it is seen as a key pillar in the country's economic expansion.

By the end of last September, the number of private business entities in China had exceeded 180.86 million, accounting for 96.37 percent of the country's total business entities, according to the latest statistics from the State Administration for Market Regulation (SAMR).

A large number of private business entities are engaged in the services sector, such as accommodation and catering, resident services, wholesale and retail trade, SAMR revealed.

China's economy gained momentum in December 2024 driven by faster growth in the services and construction sectors, Capital Economics' economist Gabriel Ng said, adding that the increased fiscal support should continue to raise economic growth given that deficit spending is likely to be front-loaded at the start of 2025.

Comment

Contributor to Global Shipping Industry

By GONG Qian

China has consolidated its position as the world's largest ship-owning nation with its commercial fleet now standing at 282.9 million gross tons (GT), surpassing global shipping powerhouse Greece by nearly 30 million GT, according to data from Clarksons Research in December 2024.

"This significant gap highlights China's rapid growth in the shipping industry," *Greek City Times* said.

The China-owned merchant ship fleet has witnessed remarkable growth over the past two decades. In the early 2000s, it accounted for around one-twentieth of the world's total, but now it makes up more than one-seventh, according to Splash 24/7 website, which focuses on premier maritime and offshore news. Moreover, the capacity of the fleet has more than doubled during the past decade.

China has become a shipping power in the world after decades-long accelerated development. *Greek City Times* analyzed that one key factor contributing to China's success is its strong domestic shipbuilding industry. "China's shipyards are now the world's largest, capable of building a wide range of vessels," it said.

China boasts many excellent ports and advanced shipyard facilities. For example, Shanghai Waigaoqiao Shipbuilding Co. has large docks capable of constructing high-tech vessels such as ultra-large container ships and liquefied natural gas (LNG) carriers. These large docks have high-precision

lifting equipment and advanced welding and coating systems, providing a solid hardware foundation for efficient shipbuilding.

Also, China's coastal ports have favorable water depth, accommodating the entry and launch of large vessels. Moreover, they are surrounded by well-developed logistics facilities, smoothing the way for transportation of raw materials required for ship construction such as steel.

China's shipbuilding industry has established a comprehensive industrial chain including design, raw material supply, component manufacturing and final assembly. This enables shipbuilding companies to quickly obtain the required components and materials, thereby reducing production cycles and costs. Additionally, the competition and collaboration among enterprises within the industrial chain drive technological innovation and improve product quality.

Another important point is that Chinese shipbuilding enterprises and research institutions are increasing their investment in technology research and development (R&D). For instance, leading shipbuilders like China Shipbuilding Industry Corporation have established their own R&D centers, focusing on the application of smart and green technologies.

Highly efficient and energy-saving propulsion systems as well as low-emission power devices are being developed to meet the increasingly stringent environmental requirements set by the International Maritime Organization.



A shipbuilding and marine engineering base in Qingdao, Shandong province. (PHOTO: VCG)

RCEP: Advancing Regional Openness, Cooperation

Opinion

By TANG Zhexiao

The Regional Comprehensive Economic Partnership (RCEP), the world's largest free trade agreement by its members' GDP, marked its third anniversary on January 1. The RCEP comprises 15 countries: the 10 ASEAN countries as well as China, Japan, the Republic of Korea, Australia and New Zealand.

For the past three years, it has boosted regional cooperation and economic integration within the Asia-Pacific region, creating enormous market opportunities for its member states

and raising the global community's confidence in multilateralism.

"I hope the RCEP will continue to contribute to peace and development in the Asia-Pacific and demonstrate what free and open economies can achieve by working together," said Wenli Cheng, a senior lecturer in the Department of Economics at Melbourne's Monash University.

As the largest economy in RCEP, China is committed to comprehensive and high-quality implementation of the agreement. According to the General Administration of Customs of China, in the first three quarters of 2024, China's imports and exports to other RCEP member countries were 9.63 trillion RMB, a year-on-year increase of 4.5 percent.

The industries of ASEAN countries and China are complementary, and the implementation of RCEP will bring huge market opportunities to enterprises in the region, according to Chaipong Pongpanich, an associate professor at Sasin School of Management, Chulalongkorn University, Thailand.

Chaipong said the RCEP has led to closer cooperation between ASEAN and China. In Thailand, for example, Thai fruit farmers have benefited as tropical fruits such as durian and mango can now enter the Chinese market more conveniently, thanks to the agreement.

Moreover, Chinese electric vehicle companies have brought advanced technology and promoted local employment, helping Thailand to form a more

complete electric vehicle industry chain.

Hidetoshi Tashiro, chief economist at Japan's investment company Infinity, said to maintain the global trade order and build an open and inclusive world economy, the Asia-Pacific economies should work together and achieve prosperity in regional free trade. This would demonstrate the success of open development to the world.

The Asian Development Bank's research shows that by 2030, RCEP will contribute 245 billion USD of economic growth to countries in the region and generate 2.8 million new jobs.

China will continue to promote the upgrade of free trade in the Asia-Pacific for common development and prosperity, the Chinese Foreign Ministry said.

Hi-tech Products Debut at CES 2025



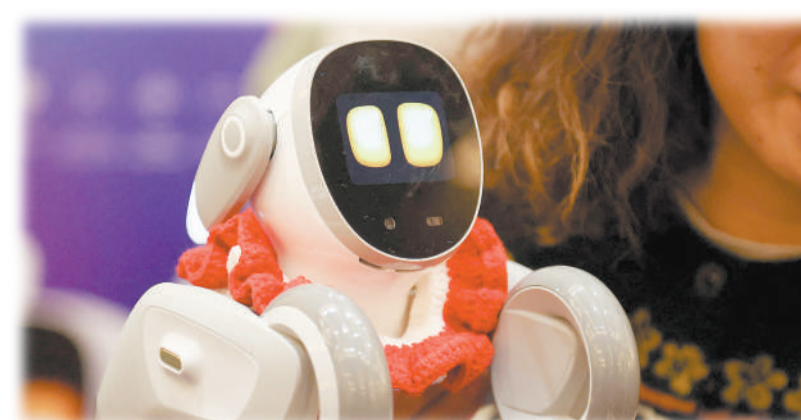
A modular flying car is on display at the XPENG AEROHT booth. (PHOTO: VCG)



An attendee experiences a concept health screening scanner. (PHOTO: VCG)



A Kurimoto MRF glove is shown at the Kurimoto booth. (PHOTO: VCG)



An AI pet is displayed at the KEYi Technology booth. (PHOTO: VCG)

Hydrogen-powered Ship Exceeds Targets

From page 1

This not only means the loss of power resources, but also raised safety concerns regarding hydrogen use.

The hydrogen storage compartment contains 32 tanks with a maximum internal pressure of 35 MPa, while the pressure at the inlet of the fuel cell must be maintained at 0.6 to 0.8 MPa. A pressure reduction device is required to bridge this gap.

After replacing the pressure regulator valve, the fuel cell resumed operation. However, a few days later, the system alarmed again, indicating persistently high hydrogen pressure.

"Could the solution lie beyond the pressure regulator itself, perhaps in the pipeline system?" Wang Zhen asked. This question led the team to pinpoint the root cause.

The team revised the purging process accordingly. After rigorous testing, the issue was resolved.

Innovating hydrogen refueling solutions

While hydrogen production, compression and storage have mature solutions, refueling ships with hydrogen

posed a new challenge, according to Guan Sumin, a member of the R&D team.

Compared to hydrogen vehicles, ships require larger hydrogen volumes and must accommodate seasonal water level changes and significant movement during docking, according to Guan.

The solution came in the form of a "folding mechanical arm pulling high-pressure hoses," enabling flexible hydrogen refueling within a horizontal range of 10 meters and a vertical range of 5 to 13 meters.

Having overcome challenges in energy management, safe operation and hydrogen refueling, Sanxia Qingzhou 1 now operates between the Three Gorges Dam and Gezhouba Dam. It performs tasks such as transportation, inspection and emergency response across the Yangtze River.

Looking ahead, Ran said, "We will focus on hydrogen production, refueling, storage and utilization, exploring diverse applications of hydrogen energy to contribute to the protection of the Yangtze River and the realization of China's green transformation."