

China insight



CONTENTS



P4 - P9

Xi Jinping's Newest Discourses on the Establishment of a New Pattern and Advancing Chinese Modernization

China Holds Central Economic Work Conference to Plan for 2023

Xi Jinping Stresses Accelerating the Establishment of a New Development Pattern When Presiding Over a Political Bureau Group Study Session

Xi Stresses Grasping, Advancing Chinese Modernization

P10 - P12

Positive Signals in China's Macroeconomic Policies

Keywords from China's Ministries



P13 - P17

The Spring Festival Economy

Consumer Market Rebound Brings the Hustle and Bustle Back

China Spurs Hopes of Broader Revival Following COVID-19 Victory

CONTENTS

P23 - P26

China's Economic Development Brings
Global Dividends



P18 - P22

China's Local Authorities Set for
Economy Growth

China's Economy Takes off
Running in 2023

Local Two Sessions Outline
Regional Development
Roadmaps

P27 - P28

International Community
Optimistic About China's Economic
Growth Prospects

Foreign Firms Express Confidence
in Chinese Market

China Remains an Investment Paradise
for Foreign Capital

Editor's Note:

The annual Central Economic Work Conference was held in Beijing from December 15 to 16, 2022. The meeting urged the government to stabilize growth, employment, and prices. Efforts need to be made to effectively prevent and defuse major risks, promote improvement of overall economic operation, set the stage for building a modern socialist country in all respects.

At the beginning of 2023, governments at all levels in China convene meetings and unveil policies focusing on optimizing the business environment, targeting at grand projects in order to seize development opportunities and accelerate the economy in the new year.

It is predicted by all sides China's economy will resume strong growth momentum and continue to release more global dividends.

Xi Jinping's Newest Discourses on the Establishment of a New Pattern and Advancing Chinese Modernization

China Holds Central Economic Work Conference to Plan for 2023



Xi Jinping, General Secretary of the Communist Party of China Central Committee, Chinese President and Chairman of the Central Military Commission, delivers an important speech at the annual Central Economic Work Conference in Beijing from December 15 to 16, 2022 (XINHUA)

The annual Central Economic Work Conference was held in Beijing from December 15 to 16, 2022 as Chinese leaders decided priorities for the economic work in 2023.

Delivering an important speech at the

conference, Xi Jinping, General Secretary of the Communist Party of China Central Committee, Chinese President and Chairman of the Central Military Commission, reviewed the country's economic work in 2022, analyzed the current economic situation and arranged 2023's eco-

nomics work.

Li Keqiang, Li Qiang, Zhao Leji, Wang Huning, Han Zheng, Cai Qi, Ding Xuexiang and Li Xi attended the conference.

It was noted at the meeting that an overall recovery and improvement is expected in the country's economic performance in 2023, and that a firm confidence is necessary to do a good job in the economic work.

The meeting demanded making economic stability a top priority and pursuing steady progress while ensuring economic stability for the year of 2023.

Proactive fiscal policy and prudent monetary policy will continue to be implemented in 2023. Meanwhile, efforts will be made to intensify macro-control and coordinate various policies to form synergy for high-quality development, according to the meeting.

The proactive fiscal policy should be stepped up for its effectiveness, with a better mix of tools including fiscal deficits, special-purpose bonds and interest subsidies. While high-quality development should be effectively supported, fiscal sustainability must be ensured and local government debt risks should be controllable, the meeting noted.

The prudent monetary policy should be targeted and effective, with reasonable and sufficient liquidity to be maintained and stronger support from financial institutions for micro and small businesses, technology innovation and green development.

The yuan's exchange rate should be kept



Shenzhen-Hong Kong Modern Service Industry Cooperation Zone in Qianhai, Shenzhen on December 8, 2022 (XINHUA)

basically stable at an appropriate and balanced level, and the systems to safeguard financial stability should be reinforced, according to the meeting.

The meeting stressed that industrial policies should be optimized to facilitate the transformation and upgrading of traditional industries and the cultivation and growing of strategic emerging industries, as well as shore up the weak links in industrial chains and forge new competitive advantages in the country's pursuit of carbon peaking and neutrality goals.

In terms of science and technology policies, China will carry out an array of national-level major science and technology projects, giving full play to the role of government in leading the work on making breakthroughs in key and core technologies and highlighting the principal role of enterprises in technological innovation, said the meeting.

Social policies should ensure people's livelihood, put promoting the employment of young people, especially college graduates, in a more prominent position, and strive to mitigate the impacts of structural price rises on some of those in difficulty in a timely and effective manner.

The country will optimize childbirth support policies and seek to gradually postpone the statutory retirement age when time is right and take the initiative to cope with population aging and low fertility rate, it noted.

The meeting stressed better coordinating epidemic prevention and control with economic and social development, urging efforts to optimize epidemic response based on time and situation and focus on the elderly and those with underlying diseases.

Stronger coordination should be also achieved between qualitative and quantitative growth, between supply-side structural reform and domestic demand expansion, as well as between economic policies and other policies, the meeting said.

To foster a new development paradigm, the endogenous dynamics and reliability of domestic circulation should be strengthened, while the quality of international circulation should be elevated.

The meeting also stressed the need to handle current work well and at the same time take future development into consideration.

Pointing out that there are a multitude of tasks in the economic work of 2023, the meeting underlined moves to improve public expectations and boost confidence for development.

The country will focus on boosting domestic demand in 2023 by prioritizing the recovery and expansion of consumption, increasing urban and rural personal income through multiple channels and encouraging more private capital to participate in the construction of key national projects, said the meeting.

China will accelerate the building of a modern industrial system, according to the meeting. Efforts will be made to identify the weak links in key and core technologies as well as components and parts in the country's major manufacturing industrial chains, and pull together resources to tackle the problems so that the industrial system is independent, controllable, safe and reliable, said the meeting.

Efforts will also be made to speed up the planning and construction of a new energy system, enhance the global competitiveness of traditional industries, accelerate the research and application of cutting-edge technologies, and vigorously develop the digital economy.

The meeting urged efforts to deepen the reform of state-owned enterprises (SOEs) while improving their core competitiveness, requiring that legal and institutional arrangements must be made to ensure the equal treatment of private enterprises and SOEs.

Law-based protection will be provided to the property rights of private enterprises and

to the interests of entrepreneurs, the meeting said.

The country will make greater efforts to attract and utilize foreign capital, widen market access, promote the opening-up of modern service industries, and grant foreign-funded enterprises national treatment, the meeting said.

China will actively seek to join the high-standard economic and trade agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the Digital Economy Partnership Agreement, the meeting said.

The meeting also stressed effectively forestalling and defusing major economic and financial risks, promoting the steady development of the property market, ensuring timely deliveries of pre-sold housing and meeting the reasonable financing demand of the sector.

Efforts need to be made to effectively prevent and defuse risks of high-quality and industry-leading developers and improve debt-to-asset ratio of the real estate sector, said the meeting.

People's basic housing needs and the need for improved housing conditions should be met, while a long-term rental housing market is to be explored.

Sticking to the principle that "housing is for living in, not for speculation", the country is seeking to promote a smooth transition of the real estate industry to new development models, according to the meeting.

The meeting stressed the necessity to adhere to the centralized, unified leadership of the CPC Central Committee over financial work, and called for efforts to prevent and defuse local government debt risks.

Rural revitalization will be advanced across the board, ensuring that people do not return to impoverishment in large numbers. The high-quality development of the Belt and Road Initiative will also be promoted.

For an economy of China's size, it is vital to maintain a stable economic performance. Efforts will be made to stabilize growth, employment, and prices so that major economic indicators will stay within an appropriate range, the meeting noted.

The innovation and creativity potential of the whole society should be unleashed to the greatest extent, according to the meeting.

The potential of the domestic market will also be fully tapped so that domestic demand can play a stronger role in driving economic growth.

The construction of major projects to shore up weaknesses will be pushed forward, with a focus on economic development and the urgent needs of the people. **C**

(Source: Xinhua News Agency)

Xi Jinping Stresses Accelerating the Establishment of a New Development Pattern When Presiding Over a Political Bureau Group Study Session

The Political Bureau of the Communist Party of China (CPC) Central Committee held the second group study session on accelerating the establishment of a new pattern of development on the afternoon of January 31, 2023. Xi Jinping, General Secretary of the CPC Central Committee, presided over the session and stressed that accelerating the establishment of such a pattern is a strategic decision to realize the Second Centenary Goal and ensure both development and security, as well as a strategic plan to seize the initiative of future development. Only by accelerating the establishment of a new development pattern will China be able to consolidate the foundation for its economy and strengthen the security and stability of its development. And only by doing so will China be able to better survive, compete, develop and sustain its progress amid all sorts of predictable and unpredictable storms and high winds, so as to ensure that the process of the great rejuvenation of the Chinese nation will not be delayed or interrupted, and the goal of building China into a great modern socialist country in all respects will be realized.

During the session, members of the Political Bureau of the CPC Central Committee conducted self-study and shared work experiences with each other. Yin Li, Liu Guozhong, He Lifeng, Zhang Guoqing, Chen Jining and Huang Kunming made speeches about their work in the fields and regions they are in charge of, and shared their views with each other.

Xi Jinping delivered an important speech. He pointed out that in recent years, some achievements have been made through arduous efforts in establishing a new development pattern, with ideological consensus



Robot of a glass enterprise in Qinhuangdao, north China's Hebei Province is at work on February 17, 2023 (XINHUA)

being consolidated, work foundation being cemented, and policies and mechanisms being improved. However, there is still a long way to go to have the new development pattern established in an all-round way. We must adopt a problem-oriented approach and apply systems thinking, work hard to resolve the major problems that constrain the building of a new pattern of development, comprehensively deepen reform, promote practical and institutional innovation, and constantly carry on strengths and make up deficiencies.

Xi noted that, efforts must be made to coordinate the expansion of domestic demand and deepening of supply-side structural reform, so as to create a dynamic

balance at a higher level, in which demand drives supply and supply creates demand, and achieve a virtuous cycle of the national economy. We must resolutely implement the outline of the strategic plan for expanding domestic demand, form a complete domestic demand system as soon as possible, and strive to expand consumption demand supported by income, investment demand with reasonable returns, and financial demand with principal and debt constraints. We must establish and improve a long-term mechanism for expanding residents' consumption, so that residents can consume with a stable income, dare to consume without worries, and are willing to consume due to the excellent consumption environment and strong

Only by accelerating the establishment of a new development pattern will China be able to consolidate the foundation for its economy and strengthen the security and stability of its development. And only by doing so will China be able to better survive, compete, develop and sustain its progress amid all sorts of predictable and unpredictable storms and high winds, so as to ensure that the process of the great rejuvenation of the Chinese nation will not be delayed or interrupted, and the goal of building China into a great modern socialist country in all respects will be realized.

sense of gain. We must improve and enlarge the investment mechanism, expand the space for effective investment, appropriately deploy new infrastructure construction in advance, increase investment in high-tech industries and strategic emerging industries, and continue to stimulate the vitality of private investment. We must continue to deepen supply-side structural reform, promote scientific and technological innovation and institutional innovation, break through blockages, stuck points and vulnerabilities in supply-side constraints, and promote the competitiveness and security of the industrial chain and supply chain, meet existing demand with independent, controllable and high-quality supply, and create and guide new demand.

Xi noted that it is imperative to move faster toward self-reliance in science and technology so as to relieve the stranglehold some countries have tightened on China's development of core technologies. We must improve our new system for mobilizing resources nationwide, build up China's strategic scientific and technological strengths and ensure better allocation of innovation-related resources to make our country a global pacesetter in major sci-tech areas and pioneer in advanced interdisciplinary fields, and ensure that China will become a major world hub for science and innovation as soon as possible. We must ensure an effective coordination of the strategy for invigorating China through science and education with the workforce development strategy and the innovation-driven development strategy,

and promote the integration of the development of education, sci-tech innovation and personnel training to form a virtuous cycle. We must adhere to the unified design of original innovation, integrated innovation and open innovation to ensure that they are well coordinated. We must also realize the unified deployment of innovation, industrial and talent chains so that they can be deeply integrated.

Xi stressed that a modernized industrial system is the foundation of the new pattern of development, as orderly links between industries are a prerequisite for smooth economic circulation. In pursuing economic growth, we must continue to place emphasis on the development of the real economy, take solid steps to advance new industrialization and move faster to boost China's strengths in manufacturing, product quality, cyberspace and digital development, so as to build internationally competitive digital industry clusters. To keep with the general trend of industrial development, we should encourage industries with weak links to make up the deficiency, industries with strong advantages to further develop, traditional industries to upgrade, and emerging industries to build industrial chains, so as to make industrial development more sustainable and competitive, he said. We should improve the distribution of productive capacity, promote the orderly transfer of key industries at home and abroad, and support enterprises' deep involvement in the global industrial division of labor and cooperation. We should also promote deeper integration of domestic and

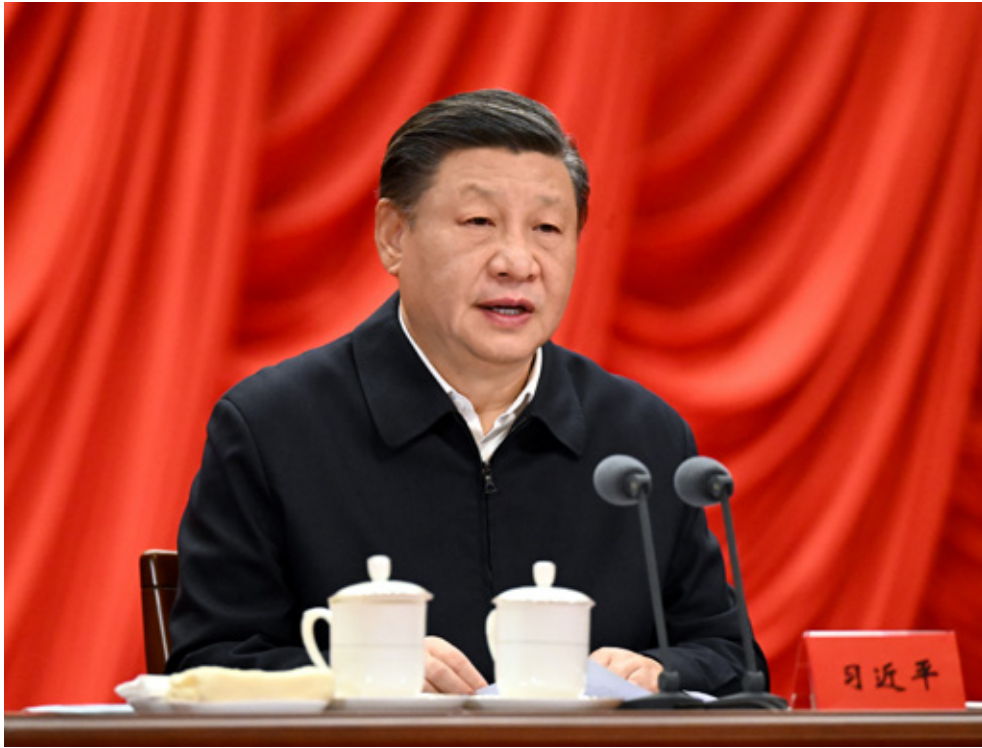
foreign industries, and build a modern industrial system that is independent, controllable, safe, reliable, and highly competitive.

Xi pointed out that coordinated development between urban and rural areas and between regions should be promoted to increase the coverage of domestic circulation. We should give full play to rural areas as a consumer market and factors market and comprehensively promote rural revitalization. We should also promote urbanization with county towns as a pivot, promote integrated urban and rural development, strengthen economic ties between urban and rural areas, and smooth economic circulation between urban and rural areas. The local self-circulation and regional barriers should be prevented and eliminated to form a real national unified market, he said. We should promote deeper integration of the strategies for coordinated regional development, major regional strategies, and functional zoning strategies, optimize the distribution of major productive capacity, and promote the proper flow and efficient aggregation of various factors of production to boost the domestic circulation of the economy.

Xi stressed the need to further reform and opening up, increase the driving force and vitality of the domestic circulation and its interaction with the international market. We should advance reforms for the market-based allocation of production factors, put in place a high-standard market system, and to accelerate the building of a unified national market. It is also imperative to refine the systems underpinning the market economy, such as those for property rights protection, market access, fair competition, and social credit, take stronger action against monopolies and unfair competition, and conduct law-based regulation and guidance to promote the healthy development of capital, so as to create a favorable environment for all types of business entities to invest and start their own businesses, and stimulate their vitality, Xi said. He also noted the need to promote high-level opening up and steadily push for institutional opening up regarding rules, regulations, management and standards, so as to strengthen China's voice in the global economic circulation. We will promote the high-quality development of the Belt and Road Initiative, actively participate in the negotiation on international economic and trade rules, promote the formation of an open, pluralistic and stable world economic order, and create conditions for realizing the linkage and circulation between the resources in domestic and international markets. **C**

(Source: Xinhua News Agency)

Xi Stresses Grasping, Advancing Chinese Modernization



Chinese President Xi Jinping, also General Secretary of the Communist Party of China (CPC) Central Committee and Chairman of the Central Military Commission, addresses the opening of a study session at the Party School of the CPC Central Committee (National Academy of Governance) on February 7, 2023 (XINHUA)

Chinese President Xi Jinping stressed the importance of correctly understanding and vigorously advancing Chinese modernization on February 7, 2023.

Xi, also General Secretary of the Communist Party of China (CPC) Central Committee and Chairman of the Central Military Commission, made the remarks while addressing the opening of a study session at the Party School of the CPC Central Committee (National Academy of Governance).

The session was attended by newly-elected members and alternate members of the CPC Central Committee, as well as principal officials at the provincial and ministerial levels.

The summation and elaboration of the theory of Chinese modernization is a major theoretical innovation achieved at the 20th

CPC National Congress, and it represents the latest major achievement in developing scientific socialism, Xi said.

The opening ceremony was presided over by Li Qiang, and attended by Zhao Leji, Wang Huning, Cai Qi, Ding Xuexiang, and Li Xi. They are all members of the Standing Committee of the Political Bureau of the CPC Central Committee.

Realizing the great rejuvenation of the Chinese nation has been a shared aspiration of the Chinese people since the beginning of modern times, Xi noted, adding that the historical task of exploring the Chinese path to modernization fell on the shoulders of the CPC.

Xi stressed that since the 18th CPC National Congress in 2012, the Party has made new progress based on previous explorations, continuously achieved innovations

and breakthroughs in theory and practice, and successfully advanced and expanded Chinese modernization.

The historic achievements and changes, particularly the elimination of absolute poverty and the completion of the building of a moderately prosperous society in all respects, have resulted in more robust institutions, stronger material foundations, and a source of inspiration for taking greater initiative for Chinese modernization, Xi added.

Noting that Party leadership is vital to the fundamental direction, future and success of Chinese modernization, and defines the fundamental nature of Chinese modernization, Xi said only by upholding Party leadership can Chinese modernization have a promising future.

Xi stressed that the modernization process of a country needs to follow the general

学习贯彻习近平新时代中国特色社会主义思想 and 党的二十大精神研讨班



Chinese President Xi Jinping, also General Secretary of the Communist Party of China (CPC) Central Committee and Chairman of the Central Military Commission, addresses the opening of a study session at the Party School of the CPC Central Committee (National Academy of Governance) on February 7, 2023 (XINHUA)

rule of modernization, but it shall be suited to its realities and characterized by features unique to its context.

Citing the report to the 20th CPC National Congress, Xi said Chinese modernization is characterized by five features that are unique to the Chinese context. It is the modernization of a huge population, of common prosperity for all, of material and cultural-ethical advancement, of harmony between humanity and nature, and of peaceful development.

Xi said Chinese modernization is a new model for human advancement, and it dispels the myth that "modernization is equal to Westernization," presents another picture of modernization, expands the channels for developing countries to achieve modernization, and provides a Chinese solution to aid the exploration of a better social system for humanity.

Advancing Chinese modernization is a systematic endeavor, Xi stressed, adding that it is also an exploratory undertaking.

Once the strategy is formulated, it must be adhered to over the long term, he said, adding that the right direction of Chinese modernization must be ensured.

Xi said innovation must be placed in a prominent position in overall national development, and efforts must be made to achieve higher efficiency than capitalism while maintaining fairness in the society more effectively.

He also demanded more efforts to expand high-standard opening up and deeply involve the country in the global industrial division of labor and cooperation.

"The cause of promoting Chinese modernization, which is an unprecedented and pioneering venture, will inevitably encounter

all kinds of risks, challenges, difficulties and even dangerous storms, some of which we can foresee and others we cannot," Xi said. "Let us harness our indomitable fighting spirit to open new horizons for our cause."

Xi stressed the importance of the work during this year in advancing Chinese modernization. The decisions and plans made by the CPC Central Committee must be fully implemented and efforts must be made to achieve an overall improvement in the economy, he said.

Presiding over the opening of the session, Li Qiang said that the important speech delivered by Xi enriched and developed the theory of Chinese modernization and should be carefully studied and grasped. He called for thinking and acting in line with the guiding principles of the speech. **C**

(Source: Xinhua News Agency)

Positive Signals in China's Macroeconomic Policies

Keywords from China's Ministries

Wondering how China sets its macroeconomic policies in 2023? Check out keywords from China's ministries' annual work meetings.

Boost Market Confidence

National Development and Reform Commission:

Focus on stabilizing growth, employment and prices as well as spurring market confidence.

Ministry of Finance: Make financial policy more targeted and effective, bail out businesses in difficulty, and boost confidence of market entities.

Stabilize Investment and Boost Consumption

National Development and Reform Commission:

Boost domestic demand and give play to the underpinning role of consumption and the pivotal role of investment.

Ministry of Finance: Give play to the role of finance in stabilizing investment and promoting consumption, and strengthen the guiding role of government investment to investment of the whole society.

Ministry of Commerce: Prioritize the recovery and expansion of consumption.

Green Development

National Development and Reform Commission:

Working actively and prudently toward the goals of reaching peak carbon emissions and carbon neutrality.

National Energy Administration: Adjust and optimize energy structure, strengthen the construction of wind

power and solar power, properly balance hydropower development and ecological conservation.

Ministry of Industry and Information Technology: Facilitate the carbon emission peaking plans for the industrial sector and key trades, speed up green, low-carbon technological transformation.

Ministry of Agriculture and Rural Affairs: Accelerate the development of ecological low-carbon agriculture, integrate resource elements and solve a number of structural and root problems of agricultural green transformation.

Improve People's Wellbeing

National Development and Reform Commission: Promote coordinated development between urban and rural areas, ensure implementation of all major regional development strategies and the strategy for coordinated regional development, ensure and improve the people's wellbeing.

Ministry of Finance: Ensure that the basic living needs of the people are

met, support the construction of a high-quality education system and promote the improvement of medical and health services.

Ministry of Agriculture and Rural Affairs: While guarantee the basic living needs of the people who just get out of poverty are met, consider them part of the masterplan of increasing farmers' income.

The Industrial Chain

National Development and Reform Commission: Focus on strategic security, industrial guidance, national economy and people's livelihood, public services and other functions, accelerate the creation of modern industrial chain, actively explore new fields and new tracks, and develop strategic emerging industries.

Ministry of Industry and Information Technology: Improve the toughness and safety level of the industrial chain and the supply chain. Improve the independence degree of key industrial chains.

Self-reliance in Science and Technology

National Development and Reform

Commission: Make every effort to break through the bottleneck that restricts high-quality development and strengthen the self-reliance and self-improvement of high-level science and technology.

Ministry of Finance: Improve the efficiency of investment in science and technology and strengthen the self-reliance and self-improvement of high-level science and technology.

National Energy Administration: Accelerate the self-improvement of scientific and technological governance and strengthen the short board while forging long board.

State-owned Assets Supervision and Administration Commission of the State Council: Intensify scientific and technological innovation and build a number of innovative state-owned enterprises.

Food Security

National Development and Reform

Commission: Strengthen the security of grain, energy resources and important industrial chains and supply chains.

Ministry of Agriculture and Rural Affairs: Insist on ensuring the stable and safe supply of grain and important agricultural products as the top priority.

Opening up

National Development and Reform Commission: Promote the construction of a high-level socialist market economic system and promote a high-level opening up.

Ministry of Finance: Support high-quality Belt and Road cooperation and promote high-standard opening up.

Ministry of Agriculture and Rural Affairs: Promote high-standard opening up in the agricultural sector.

Ministry of Commerce: Make greater efforts to attract and utilize foreign capital and foster new growth points in international economic and trade cooperation.

(Source: Xinhua News Agency)

The Spring Festival Economy



A molten iron firework performance in celebration of the Spring Festival in Jieyang, Guangdong Province, on January 26, 2023 (XINHUA)

Consumer Market Rebound Brings the Hustle and Bustle Back

Lisa Cao, a 20-something office worker in Beijing, enjoyed a special Spring Festival holiday this year. She traveled to Laos during the weeklong break, which ran from January 21 to 27, 2023, after spending the festival, formally known as Chinese New Year, in China for the past two years. "After outbound travel resumed earlier this year, I was so excited that I decided to go abroad as soon as I could," Cao told Beijing Review.

This is the first Spring Festival holiday since China optimized its COVID-19 response policies last December and removed

all quarantine requirements for inbound passengers on January 8. Group travel from China to designated countries also resumed on February 6.

As an avid traveler, Cao visited domestic and overseas destinations during holidays before the pandemic. She returned to China from a trip to Poland in early 2020, when COVID-19 started spreading, and did not travel overseas again until her visit to Laos this year. She spent about 10,000 yuan (\$1,482) on this trip, and felt it was worthwhile. She plans to travel to more countries this year.

Out for Outings

Like Cao, many people traveled overseas as soon as COVID-related travel restrictions were lifted. According to travel platform Ctrip.com, overseas bookings jumped 640 percent year on year during the Spring Festival holiday. Destinations in Southeast Asia including Bangkok, Singapore and Kuala Lumpur were the most popular among Chinese tourists.

Popular domestic travel destinations also saw large visitor numbers over the holiday. About 308 million trips were made in China

in the period, up 23.1 percent year on year, according to the Ministry of Culture and Tourism. Domestic tourism revenue reached 375.84 billion yuan (\$55.4 billion), gaining 30 percent year on year.

Sales revenue of travel agencies and tourism services during the holiday surged 130 percent from 2022, recovering to 80.7 percent of the figure from 2019, data from the State Taxation Administration (STA) showed. Sales revenue of hotel chains increased 30.6 percent from the corresponding period of 2022.

Dali Bai Autonomous Prefecture in the southwestern province of Yunnan attracted tourists with its warm weather, abundant sightseeing spots and distinctive cultures of minority ethnic groups. According to official sources, the prefecture saw around 4.23 million tourists during the festival this year, surging 219 percent year on year. Total tourism revenue exceeded 3 billion yuan (\$440 million), representing a 162-percent year-on-year growth.

The tropical island province of Hainan was another top destination. According to estimates by local tourism authorities, Hainan received more than 1.61 million tourists during the seven-day holiday, up 25.98 percent year on year. Sales in its 12 offshore duty-free stores totaled 1.56 billion yuan (\$231 million) in the period, up 5.88 percent from the festival last year.

Winter sport resorts across China also embraced visitors. In Xinjiang Uygur Autonomous Region, the top skiing resorts received over 120,000 people during the festival, up 5 percent from the corresponding period last year. Tourism revenue reached 19.96 million yuan (\$2.95 million), up 80.16 percent from 2022, local tourism authorities said.

According to Pan Helin, Co-Director of the Digital Economy and Financial Innovation Research Center at Zhejiang University's International Business School, tourism is expected to further rebound in the second half of this year. The National Day holiday on

October 1-7 will be a peak period. "While demand is recovering, the capacity and services of tourist sites need to be improved," Pan told Beijing Review.

Shopping Festival

For Chinese people, buying goodies including food and beverages, new clothing, auspicious decorations and gifts before the Chinese New Year has long been a custom. Consumption of daily necessities continued to grow during the festival this year. According to the STA, sales of basic commodities such as grain, cooking oil and food increased 31.5 percent from the corresponding period in 2022. As people's purchasing power improves, their expenditure on gold accessories went up during the festival.

Online shopping added to the festive joy. Data from the State Post Bureau showed that more than 700 million parcels were collected and delivered from January 21 to 27. The number of delivered parcels went up 10



A bustling commercial street in Jiu Zhou, an ancient town in Huangping County, Guizhou Province, on January 26, 2023 (XINHUA)

percent year on year to 330 million in the period, a 254.8-percent increase compared with 2019.

Global products reached Chinese consumers through resuming logistics. According to the customs authorities at Pudong Airport in Shanghai, around 2,000 tons of imported fresh seafood had entered the Chinese market by air since January this year, up 14 percent year on year.

Sales revenue of consumption-related sectors was 12.2 percent higher than that corresponding period of 2022, the STA said.

Spring Festival decorations and Chinese-style performances were seen in cities around the world and consumers overseas also embraced Chinese New Year products. According to AliExpress, a Chinese international e-commerce platform, users from more than 200 countries and regions searched for key words like "Chinese New Year" and "Rabbit Year" on the platform before the Spring Festival this year. Festive decorations saw a 560-percent year-on-year growth of sales on the platform in December 2022. Sales of other made-in-China products like winter sport equipment to other countries also went up.

Cultural Appeal

During the festival, cinemas nationwide sold 129 million tickets, generating gross revenue of 6.76 billion yuan (\$1 billion), the second highest for the Spring Festival holiday to date.

Traditional festive events were also back this year for celebration. People visited fairs to stock up on items for the new year, viewed lantern displays, and enjoyed folk performances. The molten iron firework performance, or datiehua in Chinese, is a form of national intangible cultural heritage. Performers presented the splendid molten iron firework show at night in many regions as part of celebrations for the festival.

The 2023 Spring Festival ushered in the Year of the Rabbit in the Chinese Zodiac. Rabbit-themed products were bestsellers during the holiday. Ceramic figurines of Tu'er Ye, also known as the Rabbit Master, Rabbit God, Grandpa Rabbit or Lord Leveret, are a form of intangible cultural heritage in Beijing. Local people believe it can bring happiness and good luck, as well as ward off illness. As rabbits are the star of this year, many people went to buy completed Tu'er Ye figurines or to buy plain white ones to paint themselves at shops during the Spring Festival.

Zhang Zhongqiang, a 60-year-old inheritor of Beijing's painted clay sculpture art, has



Tourists spend their holiday at the Xinjiang Silk Road International Ski Resort in Xinjiang Uygur Autonomous Region on January 25, 2023 (XINHUA)

been making Tu'er Ye figurines for more than three decades. In addition to traditional versions, he has also produced innovative ones, such as those themed on the Beijing Central Axis and aerospace exploration.

Now Zhang runs two stores selling his products. "During the holiday, one of them sold around 800 Tu'er Ye figurines. Nearly 40 people made reservations to paint their figurines at the store, including many visitors from other countries," Zhang told Beijing Review.

WenTongZi, a homegrown art toy brand based in Hangzhou, Zhejiang Province, also attracted many consumers. According to its founder Shen Ze, it first introduced the Striver Rabbit series in 2016, featuring a frowning rabbit with rolled-up sleeves. It symbolizes the character of overcoming headwinds with firm determination.

In recent years, young Chinese consumers have been increasingly embracing homegrown brands and seeking more diverse and personalized products in recent years. That has brought opportunities for art toy brands like WenTongZi. Its products are sold on online platforms including Tmall, an e-commerce platform owned by tech company Alibaba, Shen told Beijing Review.

"We introduced a new rabbit toy exclusively for this Spring Festival. Our pre-holiday daily sales soared 300 percent from usual levels," Shen said.

Great Potential

The consumer market rebound during

the Spring Festival was indicative of China's economic recovery. As global financial institution Goldman Sachs projected in a report in late 2022, consumption will likely be the bright spot of economic growth in 2023. "Chinese exports are poised to slow on weakening external demands, while growth drivers rotate from investment to consumption on reopening. Within consumption, sectors that have been most constrained by COVID-19, such as travel and entertainment, have the most room to recover," the report read. It expected China's consumption to rebound strongly in the first half of 2023.

"Over the past year, the pandemic led to consumption growth below expectations. China's total retail sales of consumer goods declined 0.2 percent year on year in 2022. Consumption contributed 32.8 percent of GDP growth last year, decreasing from 65.4 percent in 2021," Wen Bin, chief economist at China Minsheng Bank, told Beijing Review.

Consumption plays a key role in stabilizing economic growth and driving industrial production. To boost its contribution, the authorities need to further improve employment, increase offline consumption opportunities and shore up financial support, according to Wen.

"From a low base, consumption is expected to rebound sharply this year and achieve double-digit growth. It will become a driving force of economic growth again," he said. **C**

(Source: Beijing Review)



A staff member works at a workshop in an engineering machinery company in Xintian County of Yongzhou City, central China's Hunan Province on February 13, 2023 (XINHUA)

China Spurs Hopes of Broader Revival Following COVID-19 Victory

While the specter of recession haunts the world, China has stimulated more hopes for a broader economic revival following its decisive victory in the three-year-long fight with COVID-19.

Hailing the victory as "a miracle in the history of human civilization," the Chinese

leadership noted at a recent meeting that the country has made a smooth transition in COVID-19 response in a relatively short time and successfully pulled through the pandemic with the lowest fatality rate in the world.

Meanwhile, the steady growth of the

Chinese economy over the past three years has added further evidence of the country's victory in fighting the epidemic.

From 2020 to 2022, China posted an annual average growth rate of 4.5 percent, outpacing the global average, and much higher than that of major

economies such as the United States and Germany.

With the impact of the virus generally diminished, China has seen consolidated momentum for economic recovery. From quickened production activities to a rebound in consumption, various indicators have projected a brighter outlook for the world's second largest economy.

Coordinated Efforts

Analysts have attributed China's leading performance to effective coordination in simultaneously battling COVID-19 and its economic fallout.

To cope with the constantly evolving epidemic situation, China has been dynamically optimizing its control measures. It has so far issued 10 editions of COVID-19 control protocols and timely downgraded its COVID-19 management due to Omicron being less pathogenic and deadly.

Institutional strengths, such as the mobilization of resources to accomplish major initiatives, enabled the nation to tackle waves of infections quickly nationwide, effectively safeguarding the lives and health of its 1.4 billion population at a minimal cost.

On the economic development front, the country has rolled out a string of supportive policies to shore up economic resilience. Among these measures are ramped-up efforts to expand tax and fee incentives and supportive policies to enterprises, offering a "timely rain" to companies facing financial drought.

While inflation is a serious cause for concern faced by many major economies, China has kept its CPI growth at 2 percent in 2022, a relatively low level globally. A total of 11.86 million, 12.69 million and 12.06 million new urban jobs were created in 2020, 2021 and 2022, respectively, all surpassing the targets set for each year.

With an increasingly complete industrial system, more resilient industrial and supply chains, and an improved ability to ensure the security of food, energy and resources, China now enjoys strong tenacity in the face of headwinds and a more solid material foundation for generating recovery momentum.

Despite the unprecedented challenges, the economy grew 3 percent year on year to a record high of 121 trillion yuan (about 17.65 trillion U.S. dollars) in 2022, a new and higher level in terms of economic aggregate after the Chinese economy topped the thresholds of 100 trillion yuan and 110 trillion yuan in 2020 and 2021, respectively.

China's GDP grew steadily, standing out in global arena.



(Source: National Bureau of Statistics)

"The key to the stable economic performance lies in the targeted COVID response and effective coordination," said Dong Yu, executive vice president of the China Institute for Development Planning at Tsinghua University, adding that the economy is bound to see an overall upturn with the policy coordination taking effect.

Brightened Outlook

The reemerging hustle and bustle across the country has painted an inspiring picture of China's economy, indicating that the worst has passed.

The just-concluded Spring Festival travel rush, a mass-migration event mark-

ing the celebration of the Chinese New Year, witnessed more than 1.5 billion trips made by rail, highways, waterways and civil aviation in 40 days. The figure marked a 50.5-percent increase over the same period in 2022.

The pace of business activity is picking up. Production lines in factories nationwide are running at full throttle as orders pour in. Many cities, including Beijing and Shanghai, are launching recruitment campaigns to satisfy the surging demand for labor.

The latest data attests to China's rising allure to foreign investors. Foreign direct investment in the Chinese mainland, in actual use, expanded 10 percent year on year to 19.02 billion U.S. dollars in January, data from the Ministry of Commerce showed.

Encouraged by the better-than-expected performance, the International Monetary Fund (IMF) projected that China's economy will grow by 5.2 percent in 2023, 0.8 percentage points higher than the forecast in October last year. It forecast that China's economic growth will hit 4.5 percent in 2023.

In contrast, the IMF downwardly revised its projection for 2023 global growth to 2.9 percent, lower than the previous projection of 3.4 percent.

Steven Barnett, IMF Senior Resident Representative in China, said that China will continue to be one of the major countries to see the strongest growth this year, and its contribution to global economic growth will stand at 30 percent.

However, several factors, including the receding globalization and rising geopolitical conflicts, are throwing up road blocks in China's recovery trajectory. In addition, the foundation of domestic economic recovery is not yet solid, while the domestic triple pressures of demand contraction, supply shock and weakening expectations, are still concerns, some analysts warned.

Zhang Bin, an analyst with the National Academy of Economic Strategy under the Chinese Academy of Social Sciences, said that it is very important to implement steady and effective macro regulation to solve problems hindering the economic operation.

Zhang said that efforts should be made to leverage the effect of monetary and fiscal policies and strengthen the cross-cyclical and counter-cyclical adjustments to further tap the potential of the economy. **CI**

(Source: Xinhua News Agency)

China's Local Authorities Set for Economy Growth

China's Economy Takes off Running in 2023



Skyscrapers border a lush green landscape in Shenzhen's central business district (Photo provided to chinadaily.com.cn)



People shop at Haikou Riyue Plaza Duty Free Shop in Haikou, South China's Hainan Province on January 19, 2023 (XINHUA)

Since the beginning of the New Year, local authorities have made solid efforts to balance economic and social development, and epidemic prevention and control, bringing fresh and sustainable momentum to China's economy, which has set a steady course for a new journey.

Guangdong Province

A high-profile provincial conference on high-quality development was held in Guangzhou on Jan 28, the first working day after the Spring Festival holiday.

High-quality development is an inevitable path Guangdong is on while heading toward modernization, Huang Kunming, Party Secretary of Guangdong, said at the conference.

A series of major projects in Guangzhou, Shenzhen, Foshan and other cities also kicked off. In Shenzhen, a total of 266 new projects for 2023 were launched on Jan 29, with a total investment of 329.53 billion yuan.

To implement the spirit of high-quality development across the province, Guangdong entrepreneurs strive to be the front-runner in the field of high-quality development and are committed to transforming Guangdong's high-quality plan into a reality.

Guangdong's GDP was estimated at 12.8 trillion yuan in 2022, and the province has set a GDP growth target of more than 5 percent for 2023, according to provincial government data.

Hainan Province

South China's island province of Hainan has launched plenty of promotional activities, further stimulating the vitality of duty-free consumption.

Statistics from Haikou Customs showed that

it has supervised a total of 5.19 billion yuan in duty-free sales, from a total of 534,000 consumers when they left the island from Jan 1 to 28.

During this year's Spring Festival holiday, Hainan reported a total of 1.56 billion yuan (\$234 million) in offshore duty-free sales, a year-on-year increase of 5.88 percent.

The province also received nearly 6.4 million tourists during the seven-day holiday, up 18.2 percent year-on-year, and raked in nearly 9.3 billion yuan in tourism revenue, according to the provincial tourism authority.

Hainan will focus on boosting consumer demand and strive to drive up the island's number of tourists and tourism revenue this year. It expects to see its offshore duty-free sales exceed 80 billion yuan in 2023, said Feng Fei, Governor of Hainan, when delivering a government work report in early January.

Shanghai

The municipal government of Shanghai released a new action plan on Jan 29 to expand demand, stabilize growth and further improve the city's business environment.

According to the plan, three tasks — boosting confidence, expanding demand and seeking stable growth — are imperative, with the city aiming to achieve above 5.5 percent GDP growth in 2023.

At the same time, Shanghai will provide relief packages for enterprises to reduce employment costs. To restore and boost consumption, Shanghai will provide subsidies to consumers who buy green smart home appliances, as well as purchase tax exemptions for new energy vehicles and vouchers for sectors such as cultural tourism and catering.

Between January 1 and 29, Shanghai signed more than 160 key industrial projects, with a total investment of 100 billion yuan (\$14.77 billion). During the same period, more than 60 key industrial projects began, with a total investment of more than 70 billion yuan.

The city set a target of having its fixed-asset investment grow 5 percent to reach the 1 trillion yuan mark in 2023. Specifically, 191 major projects with a combined investment value of 215 billion yuan have been planned, up 7.5 percent year-on-year.

Zhejiang Province

East China's Zhejiang province adopted a newly revised set of regulations to foster the growth of its micro, small and medium enterprises at the annual session of the Zhejiang Provincial People's Congress in January.

The adoption of the new regulations marks the latest move for Zhejiang to further optimize its business environment by setting up a sounder



A view of the Huangpu River in Shanghai (XINHUA)



Zhoushan Port in Ningbo, Zhejiang Province (XINHUA)

institutional, legal and regulatory framework.

As one of the most vibrant places in China for the private economy, Zhejiang also organized recruitment fairs online and offline in other provincial-level regions to attract migrant workers, as companies expect rising factory orders and booming production after the holiday.

Zhejiang Provincial Department of Human Resources and Social Security said 106 recruitment trips and events to other provinces were organized in the first three weeks of January.

Zhejiang will achieve a minimum GDP growth rate of 5 percent in 2023, Wang Hao, the provincial governor, announced this target while delivering the government work report.

Beijing

The construction of infrastructure projects has sped up after the Spring Festival holiday. On Jan 31, the first batch of 50 major projects was launched in Beijing, with a total investment of 48.6 billion yuan (\$7.24 billion).

To improve the commercial environment in the capital, the Beijing Municipal Development and Reform Commission also released a document to remove certain barriers to business.

The Chinese capital pledged to cultivate consumption in digital, cultural and ice-and-snow industries and support spending on housing improvements, new energy vehicles and elderly care services to revive the economy, according to the government work report.

To leverage the role of investment in optimizing the supply-side structure, Beijing will further promote 100 infrastructure projects, 100 projects for improving people's livelihood, and 100 projects for scientific and technological innovation and hi-tech industries.

Chongqing

In the southwestern municipality of Chongqing, more than 60 rotary drilling rigs were in simultaneous operation, at a construction site for Changan Auto's new factory, in January.

"With an investment of 6.3 billion yuan (\$938.7 million), the project will have an annual capacity of 280,000 new energy vehicles," project director Wu Kezhi told Xinhua.

Chongqing is planning to launch 1,123 major projects this year, with total investments up 18.5 percent from a year earlier. The city has set the GDP growth target at over 6 percent for 2023.

Also in January, Liangjiang New Area in Chongqing signed 28 projects totaling over 30 billion yuan at its global promotion conference, as it has sped up its efforts to attract more international investment. **CI**

(Source: China Daily)



Uploaded containers are seen at Qingdao Port in Shandong province on January 1, 2023 (XINHUA)



The skyline of Beijing (XINHUA)



People visit the Beicang Cultural and Creative Block in Southwest China's Chongqing municipality on June 3, 2022 (XINHUA)



Tourists try their hands at surfing in Wanning, Hainan Province, on January 14, 2023 (XINHUA)

Local Two Sessions Outline Regional Development Roadmaps

“Where there are lights, you will find merchants from China’s Zhejiang Province; where there are no lights, you will still find Zhejiang merchants.” This is how the province’s residents describe its entrepreneurial soul.

“I was born into a merchant family in Zhejiang. My parents became first-generation Zhejiang entrepreneurs after the launch of reform and opening up in 1978 and I am the second generation. The diligent and initiative spirit of the older generation have always inspired me and their entrepreneurship and patriotism are part of my DNA,” Wu Jinhua, President of hi-tech intelligent equipment provider Zhejiang Wanfeng Technology Development Co. Ltd., said on January 11. Wu, a member of the Zhejiang Provincial Committee of the Chinese People’s Political Consultative Conference (CPPCC), made the remarks during the committee’s annual ses-

sion from January 11 to 15.

The CPPCC members, selected through consultation and recommendation, represent all levels of society. They put forward proposals centering on political and social issues to government bodies. Growing up in the 1990s, Wu represents the economic sector. And he had a lot on his plate this year.

Roughly at the same time of the meeting of CPPCC members, the Zhejiang Provincial People’s Congress also convened its annual session from January 12 to 16.

In China, the provincial-level Two Sessions refer to the yearly gatherings, usually in January or February, of local people’s congresses and CPPCC committees, where participants discuss regional economic and social development over the past year and draft plans for the 12 months ahead. Then, in March, deputies to the National People’s Congress (NPC) and members of the CPPCC

National Committee—China’s top legislature and top political advisory body, respectively—meet for the highest-level Two Sessions.

Economic Roadmaps

“This year is important for local authorities to implement the decisions and plans drafted at the 20th Communist Party of China National Congress [in October 2022],” Song Xiangqing, Vice President of the Academy of Government at Beijing Normal University, told Beijing Review.

Plus, after China adjusted its COVID-19 policy in late 2022, dropping most restrictions on social and economic activities, the top leadership announced at the agenda-setting Central Economic Work Conference last December that the country would prioritize overall economic recovery and improvement in 2023.

"As China has entered a new phase in its COVID-19 response, economic issues are key topics in the work reports of most local governments," Song said. "Many regions have seen relatively low growth rates over the past year. It's crucial for them to seize opportunities in 2023 to fully unleash their capabilities, speed up growth and improve the quality of development."

Setting feasible targets will prove essential in motivating them to fulfill their established indicators, he added.

Local economic roadmaps have unfolded across China. Provincial-level governments rolled out their economic plans based on their own circumstances and advantages during the local Two Sessions season. The plans required the endorsement of local people's congress deputies before they were put in place.

While most local governments expect their GDP to grow by 4.5-6.5 percent in 2023, the southern island province of Hainan eclipsed others by setting its target growth rate at 9.5 percent. Tibet Autonomous Region was the runner-up, setting an 8-percent goal.

"The Hainan Free Trade Port has yielded fruitful results in 2022," Feng Fei, Governor of Hainan, said while presenting his government work report to the provincial people's congress session on January 13. Its imports and exports of goods, trade in services and paid-in foreign investment all registered double-digit growth last year, according to

the report.

As China's largest special economic zone, largest free trade pilot zone and only free trade port, Hainan is expected to optimize its tariff policy, invite new investment and prioritize the expansion of consumption, with the goal of increasing tourist numbers and tourism revenue by 20 percent and 25 percent, respectively, the report further stated.

Total grain output of northeastern province of Heilongjiang has ranked first in the country for 13 consecutive years. Apart from agriculture, Heilongjiang will emphasize the development of new growth drivers, the optimization of its business environment and the creation of a dynamic government-business relationship this year.

The GDP of the southern province of Guangdong has topped the list for 34 consecutive years, hitting 12.8 trillion yuan (\$1.9 trillion) in 2022. In 2023, the province will prioritize innovation in its hi-tech and manufacturing sectors. Furthermore, it intends to create more industrial clusters each with an annual output of more than 1 trillion yuan (\$149.1 billion) by developing the biomedicine, health and ultra-high definition display equipment industries. Guangdong had established eight 1-trillion-yuan industrial clusters as of 2022, according to the provincial government.

Guangxi Zhuang Autonomous Region, neighboring Guangdong, is projected to strengthen its light and specialty industries,

including those of, for example, smart home appliances and luosifen, a local dish consisting of rice noodles boiled and served in a spicy broth, which has seen a boom in export numbers in recent years.

In 2022, Inner Mongolia Autonomous Region in the north saw its outputs of milk, mutton, beef, cashmere and fodder crops take the top spot in the country; its fixed assets investment increased more than 15 percent, ranking first nationwide; and it was the largest source of trans-provincial coal and electricity supplies. In 2023, it will explore new projects in modern energy economy, modern agriculture as well as husbandry and infrastructure construction.

The eastern province of Zhejiang proposed to focus on the real economy, emphasized high-end, intelligent and green development of manufacturing and regarded digital economy as its No.1 project of development.

Confidence is Crucial

It's worth mentioning that Zhejiang's government work report has taken the promotion of both a high-quality development of the private economy as well as that of the province's entrepreneurial spirit as the new tasks at hand, echoing Wu's proposal to shore up the confidence of Zhejiang's private enterprises.

Before attending the CPPCC meeting, Wu had traveled to nine overseas cities to visit customers and conduct field research—that's how he discovered a "blue ocean". This entrepreneurship industry term created in 2005 refers to the vast "empty ocean" of market options and opportunities that occur when a new or unknown industry or innovation appears.

"Electric vehicles (EVs) account for 30 percent of China's automobile market, while in the North American area they only take up a 5-percent market share. The proportion is expected to expand to 50 percent by 2030 in North America, which means millions of fuel vehicles will be replaced by EVs," Wu said excitedly—given his company produces EV parts and components.

With these types of market and policy opportunities ahead, Zhejiang's 2023 outline has only confirmed the positive outlook of local business people like Wu.

This entrepreneur for one is highly optimistic about the province's prospects for this year and as far as he's concerned "confidence is more precious than gold." **C**

(Source: *Beijing Review*)



Production staff package luosifen, a local dish that consists of rice noodles boiled and served in a spicy broth, at a workshop in Liuzhou, Guangxi Zhuang Autonomous Region, on January 5, 2023 (XINHUA)

China's Economic Development Brings Global Dividends



The first train of the China-Lao-Thailand round trip freight train leaves the CHINA RAILWAY Intermodal Kunming Terminal in Yunnan Province on February 7, 2023 (XINHUA)

As written in the report to the 20th National Congress of the Communist Party of China (CPC), China is committed to its fundamental national policy of opening to the outside world and pursues a mutually beneficial strategy of opening up. It strives to create new opportunities for the world with its own development and to contribute its share to building an open global economy that delivers greater benefits to all peoples. Openness has become a trademark of today's China.

The CPC Central Committee with Xi Jinping at its core has pursued a more proactive strategy of opening up, provided multiple public goods and cooperation platforms, like the Belt and Road Initiative, and is striving to create new opportunities for the world with China's own development.



The X8151 CHINA RAILWAY Express train departs from Xi'an International Port Station to Minsk on February 1, 2023 (XINHUA)

A freight train loaded with 19 cold-chain containers packed with about 280 tonnes of fresh vegetables left Kunming, capital of southwest China's Yunnan Province, on February 7. This was the first "China-Laos-Thailand" round-trip freight train. The train was scheduled to arrive in the Thai capital of Bangkok in 55 hours. The variety of transported goods has expanded from just more than 10 types when the railway was first opened to over 1,200 types currently. Total freight volume on this route now exceeds 2.5 million tons.



Trucks are loading and unloading at the container terminal in Chuanshan Port Area of Zhoushan Port, Ningbo, on January 31, 2023 (XINHUA)



An airliner of China Southern Airlines takes off on the second runway of Haikou Meilan International Airport on December 2, 2022 (XINHUA)



Chinese tourists pose for a group photo in front of Ferrari World in Abu Dhabi, the capital of the United Arab Emirates, on February 7, 2023 (XINHUA)

In January 2023, the number of China-Europe trains departing from Shaanxi exceeded 300, reaching 346, the best result in the same period in history, and achieved a good start to the New Year.

With the continuous expansion of the China-Europe Express (Xi'an) line, more and more enterprises embarked on the "fast lane" of the China-Europe Express, allowing more "Made in China" products to go abroad. It also permits diversified foreign trade goods to enter China and provide new shopping options for the Chinese people.



The first tour group of Guangzhiliv International Travel Agency to Thailand departs from Guangzhou Baiyun International Airport on February 6, 2023 (XINHUA)

Countries like Thailand, Cambodia and the United Arab Emirates welcomed the first tour groups from China in three years on February 7, 2023. During the Spring Festival holiday from January 21 to 27, China saw nearly 2.9 million cross-border trips, up 120.5 percent year on year back to 88.6 percent of the 2019 level for the same period. With the gradual and orderly recovery of outbound tourism, more countries are expected to receive tour groups from China.

Many foreign trade enterprises rushed abroad to seek business opportunities at the start of 2023. This year, Shaoxing, a city in Zhejiang Province, plans to organize more than 150 groups to go overseas to grab orders and expand markets. In February, 51 foreign trade companies from Inner Mongolia Autonomous Region set off to the United Arab Emirates and Saudi Arabia to explore markets and seek cooperation. As of February, Anhui Province has organized 110 enterprises and 210 people to carry out economic and trade activities in more than 20 countries and regions including Europe, America, Japan, South Korea, and Southeast Asia, and reached 32 foreign-funded cooperation projects with an intended investment of 12.1 billion yuan (about US\$ 1.37 billion). **CI**

(Source: Xinhua News Agency)



Workers are busy for orders at the Zhongqiao sports shoes production factory in Jinjiang City, Fujian Province on May 14, 2022 (XINHUA)



Workers are producing electromechanical equipment products at a factory in Weihai, Shandong Province on February 16, 2023 (XINHUA)

International Community Optimistic About China's Economic Growth Prospects

Foreign Firms Express Confidence in Chinese Market

In the bustling intelligent production workshops operated by Italian firm Comer Industries (Jiaxing) Co., Ltd., 14 production lines are running at full steam.

The intelligent workshops cover an area of more than 23,000 square meters and are located in the national-level economic and technological development zone in Pinghu City, a major manufacturing hub of China's Zhejiang Province.

The firm is engaged in the production of power transmission systems and components, and its products are used mainly in construction machinery, agricultural machinery and wind power generation.

"The production lines started operation before the Spring Festival holiday was over in late January," said Mattia Lugli, the company's general manager. "This year, the company plans to rent its fifth factory and introduce new intelligent production lines in Pinghu."

"China is our most important market. Our production scale will continue to expand this year, with the output value expected to increase by 5 percent to 10 percent year on year," Lugli said.

Nidec Read Machinery (Zhejiang) Co., Ltd., a subsidiary of Japan's Nidec Group, has recently launched a project in Pinghu. It is the Nidec Group's latest effort to

build a new energy vehicle parts industry base in the Yangtze River Delta region in east China.

Upon completion, the project will have an annual output of 1,000 units of drive testing equipment for new energy vehicles. The equipment will also be supplied to the flagship factory of Nidec Automotive Motor (Zhejiang) Co., Ltd., another subsidiary of Nidec Group in Pinghu.

The total investment in the flagship factory exceeds 300 million U.S. dollars -- Nidec Group's largest single overseas investment, said Wang Fuwei, general manager of the Electric Drive System Department of Nidec Automotive Motor (Zhejiang) Co., Ltd.

Nidec Group has opened 16 subsidiaries 24 years after its establishment in Pinghu, and made three investments in 2022 alone, with its business scope covering telecommunications, home appliances, automobiles and services.

Neo Ma, operations director at the German company Stabilus (Zhejiang) Co., Ltd., said that with the increasing penetration rate of new energy vehicles in China, the Chinese market has become the main driving force for the company's profit growth.

"This cannot be achieved without China's dynamic market, sound business

environment, complete supply chain system, and sufficient talent pool," Ma said.

"After China optimized its COVID-19 response, the offline brick-and-mortar catering industry is picking up. We are starting to build a curry production line to further meet the demand of the Chinese market," said Takehiro Ebihara, director-president of the Japanese company Zhejiang House Foods Co., Ltd.

It will be the third curry production line at the company's Zhejiang plant, and it will become an important growth engine for the company in the next few years, he added.

Data shows that the Pinghu economic and technological development zone has so far gathered more than 300 foreign enterprises, mainly in the advanced equipment intelligent manufacturing and biotechnology industries.

In 2022, the zone recorded the actual utilization of foreign investment totaling 210 million U.S. dollars, up 7.4 percent year on year, among which the actual utilization of foreign investment in hi-tech industries accounted for 76.27 percent.

This year, the zone will continue to develop high-end foreign-invested industries and key foreign-invested projects, and cultivate advanced industrial clusters. **C**

(Source: Xinhua News Agency)

China Remains an Investment Paradise for Foreign Capital

Foreign enterprises remain adamant in ramping up investment in the Chinese market, as the immense potential in economic vitality and consumption backed by an optimized COVID response strengthened their confidence in the world's second-largest economy.

In mid-January, French multinational Schneider Electric's secure power innovation lab was officially launched in Shanghai. The lab will shoulder the research and development responsibilities concerning key power supply and energy storage for the Chinese market and the rest of the world.

Yin Zheng, executive vice president of Schneider Electric's China & East Asia Operations, noted that China is not only a huge market but also a driving force for development and a source of innovation.

"Through continuous investment, China has become one of Schneider Electric's four R&D bases in the world, with more than 2,000 R&D staff and over 2,800 patents. At present, Schneider Electric has built five R&D centers in China, namely Beijing, Shanghai, Wuxi, Xi'an, and Shenzhen," Yin said.

Yin added that China's high-quality development direction and policies related to the "dual carbon" goals have opened up a huge space for the company's development.

"Facing the challenges of digitalization and decarbonization transformation, Chinese industries have an increasingly strong demand for green products and digital solutions. Schneider Electric's technical expertise is highly consistent with the direction of dual transformation, which brings a lot of opportunities for the development of Schneider Electric in China," Yin said, adding the company will continue to enhance its overall strength in China.

Swiss tech giant ABB also expressed a willingness to increase long-term investments in China, propelled by the confidence that the Chinese market will generate appealing opportunities in

the years to come, according to James Zhao, senior vice president of ABB China, adding that China now is ABB's second largest market.

"Therefore, our investments in innovation and R&D in this market have always been sustainable and long-term. On the one hand, our products and industrial chain need to be upgraded so that our innovative technologies can better serve the Chinese market. On the other hand, in the field of manufacturing, we are working on further improving our manufacturing capacity, efficiency, and product quality," he noted.

In Xiamen, a coastal city in east China's Fujian Province, ABB will reinvest in a new production line utilizing its latest robotic and automated production technology to assemble and produce the switchgear cabinet with robots.

Zhao pointed out that ABB is full of confidence in the Chinese market, especially with China's commitment to high-quality development and low-carbon transformation, which will bring more development opportunities to all participants.

"China's current push for high-quality, green, and low-carbon development will unleash new growth drives. ABB will grasp the huge domestic market demand released in the field of new energy digital transformation and give full play to our technological advantages to provide customers and partners with more innovative technologies," he added.

Established in 1993, Linde (China) Forklift Truck Corp., Ltd., a subsidiary of KION Group, is a leading material handling equipment and solution provider.

As one of the earliest foreign enterprises in Xiamen, the company has achieved rapid growth and witnessed tremendous achievements over the past decades.

"We started from zero, from a few employees and a few hundred forklifts, and now we have more than 4,000 employees, as well as more than 60

branches, and more than 200 sales and service points in China. Last year, our overall sales volume reached 50,000 units," said Daryl Lean, vice president of strategy, marketing, and product management Asia Pacific at KION Group.

Since 2019, the group has launched a program named "China Second Home," aiming to set up a production footprint as well as global R&D centers to meet the strong demand of the Chinese and global markets.

Besides the strong confidence in the economy, the company also sees a few trends that are posting opportunities for the industry.

"For example, with the aging population and increasing labor costs, it would increase the demand for our forklift, as well as the automation equipment. At the same time, the government's effort in pushing for the 'carbon neutral' footprint and the Chinese companies' awareness of environmental control have increased the demand for electric trucks, especially new energy, which is one of the core competencies of the KION Group," said Lean.

Data released by the Ministry of Commerce shows that foreign direct investment in the Chinese mainland, in actual use, expanded 6.3 percent year on year to 1.23 trillion yuan in 2022. In U.S. dollar terms, the FDI inflow went up 8 percent year on year to 189.13 billion U.S. dollars.

Li Peigong, a professor at Shanghai Lixin University of Accounting and Finance, noted that at present, China's economic growth is positively projected, providing new opportunities for the development of foreign enterprises.

"China's market potential is being released at an accelerated pace, and foreign enterprises are actively tapping the market trends and speeding up their investment layout, which reflects their confidence and determination to cultivate the Chinese market," said Li. **CI**

(Source: Xinhua News Agency)

China **i**nsight

China Insight, Special Issue on China's Economy in 2023

Producer: The Press Office, International Department
of the CPC Central Committee

Content Provider: Center for the Americas,
China International Communications Group

Please visit the following
websites via scanning the QR codes to read more about CPC.



Qiushi Journal



People's Daily
Online



CPC WORKS



Beijing Review



China.org.cn



China Insight