China Business Weekly

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法兰德斯中国商会 FCCC VCKK
FLANDERS-CHINA CHAMBER OF COMMERCE
VLAAMS-CHINESE KAMER VAN KOOPHANDEL

FCCC/EUCBA ACTIVITIES

Webinar: European Business in China – Position Paper 2022/23
30 September, 11:00 am CEST

The EU-China Business Association, the European Union Chamber of Commerce in China, and BusinessEurope are organizing a webinar on the **'European Business in China: Position Paper 2022/2023'** launch.

This webinar will be online on **September 30, 2022, at 11:00 am**.

This Position Paper of the European Union Chamber of Commerce in China is the culmination of nine months of dedicated work by 41 working groups and sub-working groups and forums. This year's Executive Position paper outlines, how over the last year, there has been a significant shift in focus at European companies' headquarters (HQs) when evaluating China.

By prioritizing ideology over economic concerns, China's business environment is becoming less predictable, reliable and efficient. While opportunities for European companies remain, they must now develop strategies to deal with an ever-growing list of risks stemming from both emerging legislation—within and outside of China—and geopolitical developments. Join us to understand the key drivers behind these trends and their implications for European business.

Program:

11:00-11:05: Welcome and introduction by **Ms. Gwenn Sonck**, Executive Director, EU-China Business Association & Flanders-China Chamber of Commerce

11:05-11:35: Presentation of the Position Paper 2022/2023 by **Mr. Joerg Wuttke**, President of the European Union Chamber of Commerce in China

11:35-11:55: Q&A and final discussion moderated by **Ms. Luisa Santos**, Deputy Director General of BusinessEurope

11:55-12:00: Closing words by **Mr. Jochum Haakma**, Chairman, EU-China Business Association

About the speaker: Joerg Wuttke has been Vice-President and Chief Representative of BASF China in Beijing since 1997. In May 2019, he was elected for a third term as the President of the European Union Chamber of Commerce in China. Since 2019, Wuttke has been Vice Chairman of the CPCIF International Cooperation Committee, a group representing multinational companies in China's Chemical Association. From 2011 to 2019, he served as Chairman of the Business and Industry Advisory Committee to the OECD's China Task Force. From 2007 to 2010 and 2014 to 2017, Wuttke was President of the European Union Chamber of Commerce in China. He was a founding member of the German Chamber of Commerce in Beijing and served as Chairman of the Board from 2001 to 2004. Wuttke has lived in China for more than 21 years.

Practical in formation:

Date: 30.09.2022

Location: Online

Price members: Free

Price non members: Free

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Webinar: Digital opportunities for marketing and sales in China 11 October – 10 am CEST

The Flanders-China Chamber of Commerce is organizing a webinar, with the support of Flanders Investment & Trade, focussing on “**Digital opportunities for marketing and sales in China”**, which will take place on **October 11** at **10 am CEST**.

China is one of the leading adopters of technologies, be it consumer-led technologies, all-in-one social platforms, AI, or data-driven technologies for various industries. China's technology sector has grown rapidly over the past few decades, creating a digital economy that enables overseas companies to do business in China without disruptions from travel restrictions or high physical presence costs. Are you making the most of digital opportunities to grow your business in China?

During this session, Ms. **Jane Ru**, Director of Growth & Operations, Crayfish.io, will introduce the fundamentals of digital China, providing insight into the digital landscape and offering tips on how to create a marketing strategy and utilise local channels for marketing and eCommerce. Those participating will gain practical advice on how better to engage with this huge but challenging market.

The programme is as follows:

10h00 – 10h05: Welcome speech, Ms. **Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce

10h05 – 10h45: Presentation, Ms. **Jane Ru**, Director of Growth & Operations, Crayfish.io

10h45 – 11h00: Q&A Session

About the speaker:

Jane Ru is a bilingual and entrepreneurial professional specialising in international business. Jane has more than 20 years' experience in strategy, marketing, business development and international trade, with a proven track record of driving market development, managing strategic partnerships and delivering substantial revenue growth. Working closely with clients in the UK and Europe across a range of industries, Jane manages the growth and operations at Crayfish.io to help companies doing business with China and Asia.

Practical information:

Date and time: October 11, 2022, 10h00 - 11h00 am

Location: Online

Price for members: Free

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PAST EVENTS

Webinar: "Emerging trends for Belgian businesses in China"
September 20, 2022

The Flanders-China Chamber of Commerce – with the support of Flanders Investment & Trade – organized a webinar focusing on "**Emerging trends for Belgian businesses in China"**. A report will follow next week.

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HEALTH

Hotel quarantine scrapped in Hong Kong; second booster shot contemplated in the mainland

Hong Kong authorities announced that the Covid-19 hotel quarantine policy is scrapped for all arrivals from September 26. Arriving passengers will only need to watch their health at home or at a hotel. They will be allowed to go to work or school, but will not be allowed to enter bars or restaurants during the three-day period, until they get a negative nucleic acid test result on the third day. The required pre-flight nucleic acid testing for inbound visitors will also be replaced by rapid antigen tests. In addition, unvaccinated overseas Hong Kong residents will be allowed to take flights to Hong Kong, while the Come2hk and Return2hk programs will be expanded to the entire Chinese mainland and Macao Special Administrative Region with no quotas.

Upon arrival, passengers will receive an amber code for the next three days, which will prohibit them from entering places that require vaccine pass checks, such as restaurants, gyms, nightclubs, swimming pools, beauty parlors and salons. Entry to high-risk places including care homes for the elderly and disabled, and designated healthcare premises will also be banned. But they will be allowed to head to work and attend school, as well as visit premises where vaccine pass checks are not mandatory such as shopping centers, department stores and wet markets. The first day of arrival is considered Day 0. Travelers will need to conduct a daily RAT until Day 7 – the eighth day after arrival – in addition to PCR tests on days 2, 4 and 6. After obtaining a negative PCR result from the Day 2 test on the morning of Day 3, the medical surveillance period will end. A self-monitoring period then begins from Day 3 to Day 7 with individuals receiving a blue health code, allowing visits to any premises. Hong Kong still recorded 5,387 new coronavirus infections on September 23, including 156 imported ones, along with 12 deaths. The city's tally now stands at 1,736,413 cases and 10,099 deaths.

While local and foreign travelers celebrate the scrapping of mandatory hotel quarantine rules in Hong Kong, people from mainland China hoping to travel via the city share little of the excitement. Any traveler arriving in mainland China or Macao is still subjected to a "7 + 3" policy: a week of centralized quarantine followed by three days of home observation. Hong Kong was previously an international travel hub, especially for long-haul flights between mainland China and the rest of the world. While its strict border control policies have deterred travelers in the past two years, the city was still seen as one of the more popular routes for entering and exiting mainland China given the limited flight routes available.

According to the latest numbers from the Hong Kong Tourism Board, 40,083 travelers from mainland China arrived in July, up 535.8% year-on-year, but this is still way below pre-pandemic times. There were nearly 5.2 million mainland arrivals in July 2019. Airlines are expected to increase flights following Hong Kong's border opening, with Cathay Pacific announcing that 200 pairs of passenger flights will be added to both regional and long-haul destinations in October, meaning those who want to travel to the mainland via Hong Kong could find more routes available. Apart from air travel, there is currently a 1,500-a-day quota – decided by lottery – for Hong Kong arrivals in quarantine facilities in neighboring Shenzhen.

The Chinese Center for Disease Control and Prevention (China CDC) said a second booster is necessary for a safe, long-term exit from the pandemic, confirming the necessity of a fourth shot. It also called on the last 10% of the country's population who have yet to be fully vaccinated to take shots as soon as possible. Whether to roll out a fourth dose has been widely discussed in China. Previously, Chinese experts have said that it is important to know how long immunity from the second booster can last, and how it will benefit the general population, before the fourth dose – the second booster shot – can be rolled out. On August 9 it was reported that more than 1.2 billion people had been fully vaccinated, accounting for 89.96% of the total population. People who had received a booster shot exceeded 821 million. China's strategy of containing the epidemic has spared over 99% of the 1.4 billion Chinese people from exposure and infection with severe cases of Covid-19 and its variants for two and a half years. Though it came with social and economic costs, the strategy earned the country a great deal of time for tools, such as vaccines, to be developed while keeping infection and death from the infectious disease at a low level.

All travelers arriving in Shanghai must take a free Covid-19 PCR test within 24 hours after arrival. The measure will be in force until November 15. They will be allowed to move freely after taking the test and before the results are known. Travelers with a red health code or those who had been to high-risk, locked-down or key domestic regions, will be put under quarantine immediately. People with a yellow code, along with those without a negative PCR test from the past 48 hours, will be taken to the nearest PCR test site to undergo a test immediately. Most of the recent positive cases detected in Shanghai came from other provinces and cities.

This overview is based on reports by the China Daily, Shanghai Daily, Global Times and South China Morning Post.

FOREIGN INVESTMENT

European investment into China defies decoupling calls

Five industries – auto-making, food processing, pharmaceuticals, chemicals and consumer goods – now account for nearly 70% of all European direct investment in China, up from 65% in previous years. **"**There is speculation that Europe will enter an era of elevated energy cost, and some companies with high energy consumption will need to move their operations overseas, and China's energy supply is definitely more stable than Europe's, and for those companies, production in China is also closer to their target market," Cui Hongjian, Director of the Department of European Studies at the China Institute of International Studies, told the Global Times.

A recent study by Institut der Deutschen Wirtschaft found that German investment in China amounted to €10 billion in the first half of 2022, far exceeding the previous half-year peak since the turn of the millennium of €6.2 billion. Chinese Ministry of Commerce data show that German investments in China increased by 23.5% year-on-year in the first seven months of this year.

Companies doing cross-continental business are shifting the focus of their supply chains from Europe to China due to increased costs and energy shortages in Europe. Due to geopolitical factors, many European companies are now transferring orders from local factories to Chinese suppliers, or simply building their own factories in China, which has been resilient despite global turbulences, industry insiders said. Some Chinese businesspeople said that orders from European clients jumped by 20% this month. The trend is particularly evident in energy-intensive and high-tech sectors such as organic chemicals, electronic and mechanical equipment and auto parts, which industry insiders said may boost China's role as the world's manufacturing hub. "Demand from Europe is indeed increasing. There are no official data yet, but I estimate demand grew more than 20% in September year-on-year – mainly NEVs and lithium batteries," Tommy Tan, President of Shanghai EPU Supply Chain Management Co, an agent for the China-EU freight train service, said.

Foreign direct investment (FDI) in the Chinese mainland expanded 16.4% year-on-year to CNY892.74 billion in the first eight months of this year, data from the Ministry of Commerce showed. Backed by a complete industrial system, a massive market and social stability, China has created a solid foundation for the growth of foreign-funded companies despite challenges that are threatening the global economic recovery, said Wang Wen, Executive Dean of the Chongyang Institute for Financial Studies, which is part of Beijing-based Renmin University of China. "As Chinese companies have leapfrogged ahead of many global businesses in newly emerging fields like electric vehicles, cross-border e-commerce, artificial intelligence and green development, foreign players also wish to partner with them to seek more growth points," he said. China's services sector received CNY662.13 billion in foreign investment between January and August, up 8.7% year-on-year, while FDI in high-tech industries surged 33.6%.

FDI in China's eastern region grew by 14.3% year-on-year during the January-August period. The corresponding figures for the central and western regions are 27.6% and 43% respectively. The foreign trade value of foreign-funded companies in China rose 2.4% year-on-year to CNY9.17 trillion between January and August, accounting for 33.6% of China's total trade value, according to the General Administration of Customs. Attracted by China's lucrative market, FDI from the Republic of Korea grew 58.9% year-on-year in China in the first eight months, while investment from Germany and Japan climbed 30.3% and 26.8%, respectively.

EU companies' investment in China soared in the first eight months of 2022. According to China's Ministry of Commerce, EU's FDI inflow into China jumped 123.7% year-on-year from January to August.

OUTBOUND INVESTMENT

Chinese enterprises expanding abroad, focusing on advanced manufacturing and technology

Despite external uncertainties, Chinese enterprises are actively expanding their overseas footprint, with investments mainly focusing on advanced manufacturing and technology, according to **a report from global consultancy Accenture**. Going global is a key way for Chinese enterprises to build long-term competitiveness, said Yue Bin, operations lead for Accenture Greater China, adding that the main driver of expanding activity around the globe is gradually shifting from state-owned to private enterprises. The report showed that 92% of enterprises interviewed said globalization is a necessary step to maintain fast growth and 55% said they expect to optimize resource allocation and build up supply chain resilience through overseas expansion, while 49% aim to boost their innovative capacity through interaction with other markets.

Chinese enterprises are confident in their internationalization push despite rising geopolitical tensions and continued Covid-related disruptions. The report noted that 95% of the surveyed Chinese enterprises believed that their overseas businesses would see a compound growth of more than 5% in the next three years, and 52% of the enterprises anticipated it would be over 20%. The report used four-tiers to rank the level of internationalization of Chinese companies based on overseas revenue proportions – an initial stage, growth stage, established stage and fully globalized stage. Given the country's vast domestic market, 32% of Chinese enterprises are still in the initial stage of globalization, with their overseas revenue accounting for less than 10% of the total. However, there were a significant number of enterprises in the established stage (26%), whose overseas revenue accounts for 20% to 50% of the total.

"We found that energy companies are inclined to choose South Africa and Brazil, while internet enterprises prefer to expand their presence in Southeast Asia," Yue said, noting that services and trade companies tend to prefer the European market. However, there are some obstacles and challenges that hinder the development of Chinese enterprises in overseas markets. Yue pointed out issues like risk management, regulatory compliance, cultural differences, inefficient operations and slow decision-making. He suggested that enterprises build tailor-made operational models suitable for globalization, establish reliable, safe and regulation-compliant digital infrastructure, and leverage cutting-edge technologies to empower global operation. Experts said that the continuous improvement of digital infrastructure for logistics and payments has reduced costs and brought increased convenience to firms seeking overseas expansion.

Domestic enterprises have shown increased demand for digital technologies, localized services, and ways to achieve safety and compliance during their globalization push, said Wang Chengfeng, Research Director of market analysis firm iResearch, adding that global cloud infrastructure and related services will help digitalize operations. Chinese companies choosing to go abroad early were mostly internet-related, including social media apps and video platforms, but traditional enterprises have established a global footprint and enhanced international competitiveness by adopting digital technologies, according to Amazon Web Services (AWS). "**The most useful thing for Chinese enterprises planning to go overseas is to improve management abilities**, as they need to adapt to global organizational structures and diverse corporate cultures in different locations," said Jiang Han, Senior Researcher at market consultancy Pangoal, the China Daily reports.

CHINA NEWS ROUND-UP

Shanghai adopts China's first provincial-level AI law

Shanghai's municipal legislature passed the country's first provincial-level law on the development of artificial intelligence (AI), which experts said would effectively fill a gap and further pave the way for the sound and sustainable development of technology. The Shanghai Municipal People's Congress Standing Committee passed the **Shanghai Regulations on Promoting the Development of the AI Industry**, after public opinion was solicited from August 30 to September 13. The ordinance will come into effect on October 1. Yan Rui, Director of the Legal Affairs Committee of the Standing Committee of the Shanghai Municipal People's Congress, told the media that this legislation focuses on industry innovation and serves as guidance for future development. "Various incentives are included to promote the high-quality development of the AI industry," Yan said. One highlight of the new law is that it stipulates that the relevant municipal departments can draw up lists of "minor illegalities" in the development of the AI sector, indicating that there would be no administrative punishment for minor violations in accordance with the law as part of the government's efforts to encourage exploration and stimulate innovation.

The law also clarifies the bottom line and ethical norms for the development of the AI industry, and makes it clear that relevant entities that carry out AI-related research and development (R&D) and applications should abide by laws and regulations, while enhancing ethical awareness, so as to ensure the sound and safe development of the industry. While this law is only a provincial-level one, and it is surely not the final word on the subject, it offers good guidance for the AI sector's development in a broader sense, given the fact that Shanghai has been taking the lead in many digital sectors, including the metaverse, Liu Dingding, a Beijing-based independent tech analyst, told the Global Times.

The regulation gives a clear definition of what AI is. It also clearly defines government management standards, as well as measures to boost the industry's development, such as supporting enterprises and educational institutes to conduct international cooperation for R&D on AI. This is Shanghai's second local regulation in the field of the digital economy after the "Shanghai Data Regulations," which came into force on January 1. The new regulation will strongly support the city's comprehensive digital transformation and help build a city with an international influence on AI, experts said. Shanghai's AI industry has continued to grow in recent years, with a planned output value in 2021 of CNY305.68 billion, a year-on-year increase of 17.2% and 2.28 times that of 2018, the Global Times reports.

Supreme People's Court to impose tougher penalties for financial crimes

China will impose tougher penalties for financial crimes and prevent and resolve major financial risks to maintain national economic and financial security, the Supreme People's Court (SPC) announced. Severe punishments will be imposed for financial crimes such as **illegal fund-raising, manipulation of the securities and futures markets, insider trading and money laundering**, Ma Yan, Chief Judge of the No 3 Criminal Division of the Supreme People's Court, told a news conference. "We will formulate, revise and improve criminal judicial interpretations for money laundering, insider trading, and leaking inside information and so on as soon as possible to ensure that criminal laws and policies are correctly implemented," Ma said. Between 2017 and August 2022, courts nationwide adjudicated 117,100 criminal cases involving financial fraud and penalized 186,300 people.

There have been many cases of illegal fund-raising, many of which involved huge sums and numerous participants, seriously disrupting the financial management order and endangering China's financial security, Ma said. Statistics showed that 108,700 people were punished for illegal fund-raising between 2017 and August 2021. As to securities fraud, the SPC said that over the past five years, courts across the country adjudicated 229 first-instance criminal cases involving manipulation of the securities and futures markets, insider trading, and trading on the basis of non-public information, involving 355 persons. Xu Xiang, General Manager of the Shanghai-based company Zexi Investment, was sentenced to a five-and-a-half-year prison term in January 2017 for stock market manipulation.

China will crack down on illegal activities in the securities market and promote the high-quality development of the capital market, according to an official document jointly issued by the General Office of the Communist Party of China Central Committee and the General Office of the State Council. Authorities in China have also enhanced measures taken to combat money laundering. The People's Bank of China (PBOC) launched a three-year action plan to combat money laundering in January 2022. China's top court said courts across the country have adjudicated 1,154 first-instance criminal cases involving money laundering in the past five years, the Global Times reports.

Chinese apps extend their reach abroad

From the world's top short video application TikTok to the biggest fast-fashion app Shein and emerging music-video app StarMaker, a rising number of mobile apps developed by Chinese companies are influencing people's daily lives across the globe. A new report published by market consultancy iResearch showed that the overseas revenue of China's entertainment apps grew 204% year-on-year in 2021. In addition, a report from Google said that the downloads of apps made by Chinese developers among the world's top 1,000 applications nearly doubled over the past decade, from 8% to 14%. Industry experts said this demonstrated Chinese companies' strong innovative capabilities, but they also face challenges amid rising geopolitical tensions. "Chinese companies are playing a bigger role in global mobile app innovation, thanks to the rapid development of the digital economy. The momentum of digital consumption and 5G commercialization promoted the continuous innovation and iterative upgrading of digital technologies, thus driving the huge innovative vitality of app developers," said Wang Peng, Researcher at the Beijing Academy of Social Sciences.

"The Chinese government has also been making great efforts in driving digital innovation and encouraging companies to deeply integrate digital technologies with the real economy," Wang added. Wang also said that such efforts have led to the development of a group of industry leaders that are able to leverage their innovative ability to contribute to global industrial development. The iResearch report noted that Chinese gaming apps continued to be the major revenue driver of the nation's apps overseas, but social networking apps have also displayed growth momentum over the past year. The United States, Japan and South Korea were the main overseas sources of income for Chinese apps. Notably, downloads of Chinese apps also increased in Africa, the Middle East and Southeast Asia last year, among which the African market was the most prominent, with a total growth rate of 18.9% year-on-year.

StarMaker, a karaoke video app enabling users to create and share music videos, quickly went viral in 102 countries and regions, where it has become one of the best-selling music apps. "The global market is promising for Chinese companies. Though it takes a long time to develop a brand in foreign markets, Chinese companies are good at research and development, meaning products can quickly be technology-driven and meet local needs," said Fang Han, CEO of Kunlun, the developer of StarMaker.

Small developers from China are also warming up the global mobile app market. Apple said that more than 5 million third-party developers in its iOS app ecosystem are from China, up from 4.4 million a year ago, and they have increasingly become a major force in the global app economy. However, Huang Leping, head of technology, media and telecommunications at Huatai Securities, said that many challenges remain for Chinese companies in going global, especially as many countries have tightened their data protection policies. "In the past, companies have been able to build a set of algorithms in China and offer services in foreign markets, where the data can be interconnected. But in the future, companies may need to build supporting facilities in various countries to do that, which will greatly increase their operating costs and risks," Huang said, as reported by the China Daily.

Shenzhen to become international fintech center

Shenzhen, Guangdong province, aims to become an international center of financial technology by 2025 through an all-around digital upgrading of financial institutions and propping up real economies with innovative fundraising channels. The target was proposed in a draft plan unveiled recently by the municipal financial regulatory authority. The plan stated **Shenzhen will build five industrial parks and office clusters oriented toward fintech development**, and cultivate more than 10 world-renowned leading fintech firms. China Development Bank and Guangming district in Shenzhen signed a CNY10 billion fintech funding agreement to meet diversified fundraising demand for scientific research and commercializing projects at a science town in the district. The town is one of the national science centers located in the Guangdong-Hong Kong-Macao Greater Bay Area. Several supercomputers in the town are expected to pave the way for fintech innovations, including Peng Cheng Cloud Brain jointly set up by Huawei and Peng Cheng Laboratory. Shenzhen announced it would organize an annual fintech festival starting this year. As part of the festival, an international competition – The FinTechathon – kicked off this week.

Liu Guohong, Director of the Finance and Modern Industry Research Center at the Shenzhen-based think tank China Development Institute, said Shenzhen has already laid a strong foundation but there is still a gap between it and global fintech hubs such as New York and Singapore. Many financial heavyweights have set up their technology subsidiaries in the city, including banks and securities agencies. Shenzhen-based technological giants like Tencent and Huawei have invested heavily in related technology platforms. WeBank, China's first private and digital-only bank, was also founded in Shenzhen. The city's advantage is in technical support in software and hardware, with many established platforms of leading technology firms. But Liu also pointed out that its weakness is its supervision and talent pool compared to Beijing and Shanghai.

In the Global Financial Centers Index jointly published by Z/Yen, a British think tank, and China Development Institute in March, Shenzhen ranked 10th, following Shanghai in fourth and Beijing in eighth. The Shenzhen plan encourages financial firms to make full use of technologies, such as big data and artificial intelligence, and to digitalize loan approvals and risk controls. Shenzhen HTI Group Co, a local investment firm for high-tech startups, has established an online fundraising platform to provide loans without traditional collateral requirements, the China Daily reports.

Number of new millionaires in China to increase seven times faster than in the U.S. in the next five years

The number of new millionaires in China is expected to increase more than seven times faster than in the U.S. in the five years through 2026, despite the effects of inflation and the Russian invasion of Ukraine, which are likely to hamper global wealth creation, according to **Credit Suisse's Global Wealth Report 2022**. The number of U.S. dollar millionaires in China will increase by 97% to 12.2 million by 2026, compared with a 13% rise in the U.S. to 27.7 million over the same period, according to projections by the Swiss bank. "We expect household wealth in China to continue to catch up with the United States, advancing the equivalent of 14 U.S. years between 2021 and 2026," the report said. "Despite the inflation and Russia-Ukraine war setbacks, we believe that total global wealth will continue to grow."

Household wealth in China grew by USD11.2 trillion last year, accounting for over a quarter of the total increase in global wealth of USD41.5 trillion in 2021. The world's second-largest economy had 9.9% of the global millionaire population at 6.2 million, behind the U.S., which had 39% of the total or 24.5 million wealthy individuals. While the U.S. tops the world millionaire table and is still far ahead of second-placed China, its dominance is set to slip amid limited GDP growth and the possibility that asset prices will subside from their peak values at the end of 2021, according to the report.

The Credit Suisse report, in its 13th edition, is an annual study compiled from data on the wealth of 5.3 billion adults in over 200 countries. The number of millionaires around the world is expected to exceed 87.5 million in 2026, growing 40% from the 62.5 million wealthy individuals at the end of 2021. This rapid rise reflects in part the fact that higher inflation will make it easier to pass the million U.S. dollar threshold, according to the report.

Credit Suisse expects global wealth to rise 36% to USD169 trillion by 2026, while wealth per adult is forecast to rise 28% during the same period, and pass the USD100,000 threshold in 2024. Hong Kong ranked third in terms of wealth per adult last year at USD552,930, after Switzerland with USD696,600 and the U.S. with USD579,050.

"While some reversal of the exceptional wealth gains of 2021 is likely in 2022/2023 as several countries face slower growth or even recession, our five-year outlook is for wealth to continue growing," said Nannette Hechler-Fayd'herbe, Global head of economics and research at Credit Suisse. Meanwhile, Chinese tycoons made up nearly half of the 337 drop-offs from the world's U.S. dollar-based billionaires list in the first three months of the year, outnumbering those from any other country due to a combination of wealth-destroying events such as the Covid-19 pandemic and Russia's invasion of Ukraine, according to the Hurun Global Rich List 2022, published in March. The U.S. and Russia lost 32 and 13 billionaires from the list, respectively, the South China Morning Post reports.

Number of passengers of Chinese airlines up 50% in August

Six major Chinese airlines saw a recovery in capacity and passenger volume in August, reviving market confidence in the pandemic-battered industry. The six listed carriers, including Air China, China Eastern Airlines and China Southern Airlines, recorded 24.37 million passenger trips in August, up 52.7% from the same period in 2021, and recovering to 50.2% from the same period in 2019. Compared with the pre-Covid period, Spring Airlines' passenger volume recovered to 80% of that in 2019, followed by Juneyao Airlines with 70%. China Southern Airlines, Air China and China Eastern Airlines recovered to about 50% of the pre-Covid level. The total number of passengers on the international routes of the six major airlines in August was about 162,000, up 19.1% from July.

Airports have been doing better, too. For example, Shenzhen Baoan International Airport said that its passenger throughput in August was 2.89 million, a year-on-year increase of 30.89%. Market watchers said the rising demand was mainly due to seasonal factors, as August is the second month of the summer holidays, which brings soaring demand for flights. In August, the available seat kilometers of Air China and China Eastern both increased by around 35% year-on-year, followed by 47% of China Southern Airlines. In terms of revenue passenger kilometers, China Southern Airlines had the largest increase of 67.72% in August, followed by Air China with 56.4% and China Eastern Airlines with 62.14%. However, during the just-concluded Mid-Autumn Festival holiday, affected by the pandemic, there was a decline in flying. From September 10 to 12, the number of passenger flights was about 14,100, a decrease of 51.4% compared with the same period in 2021, the Global Times reports.

China biggest contributor to global economic growth

China's contribution to global economic growth averaged over 30% from 2013 to 2021, making it the biggest contributor, according to China's National Bureau of Statistics (NBS). China accounted for 18.5% of the global economy in 2021, 7.2 percentage points higher than in 2012, remaining the world's second-largest economy.

Sang Baichuan, Dean of the Institute of International Economy at the University of International Business and Economics, said China has been playing a crucial role in driving global economic growth during the past few years. "China has managed to achieve sustained and healthy economic development despite the impact of Covid-19," Sang added. "The country has played a key role in maintaining the smooth operation of the global supply chain." NBS data showed that China's gross domestic product (GDP) reached CNY114.4 trillion in 2021, 1.8 times higher than in 2012.

The average growth rate of China's GDP reached 6.6% from 2013 to 2021, higher than the world's average of 2.6% and that of the developing economies at 3.7%. Sang said China has solid foundations and favorable conditions to maintain healthy and steady growth in the long run, as it has a huge domestic market, a sophisticated manufacturing workforce, the world's largest higher education system and a complete industrial system. Citing challenges from monetary tightening in developed economies and inflationary pressures around the globe, Sang said he expects to see further fiscal and monetary easing to stimulate China's slowing economy in the remainder of the year. Experts said the country should pay more attention to fostering new growth drivers and boosting innovation-driven development by deepening reform and opening-up.

Wang Yiming, Vice Chairman of the China Center for International Economic Exchanges, warned of challenges from weakening demand, renewed weakness in the property sector and a more complicated external environment, saying that the key is to focus on boosting domestic demand and fostering new growth drivers. Liu Dian, Associate Researcher at Fudan University's China Institute, said more efforts should be made to develop new industries and businesses and foster innovation-driven development, the China Daily reports.

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