

China Business Weekly

27 February 2024



FCCC ACTIVITIES

Webinar: “Strategies for Staffing and Hiring in China”

29 February 2024, 10 AM CET



The Flanders-China Chamber of Commerce is organizing a webinar focused on **“Strategies for Staffing and Hiring in China”**. This webinar will take place on 29 February.

During this webinar, we aim to provide you with a better understanding of China's labour market, current trends, HR challenges, recruitment, cultural differences, laws & regulations and labour costs. Additionally, the session will also include a practical testimonial.

The programme is as follows:

10h00 – 10h05: Introduction by Ms **Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce and EU-China Business Association

10h05- 10h45: Presentation by **Mr Roland Brouwer**, Regional Director (Europe), Corporate & International Relations, BIPO Service

10h45 – 11h00 : Q&A Session

Practical information:

Date: 29.02.2024

Location: Online

Price members: Free

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Webinar: China for SMEs after Covid: Panel discussion with the FIT Representatives in China – 13 March 2024, 10 AM CET



The Flanders-China Chamber of Commerce (FCCC) and Flanders Investment & Trade (FIT) are organizing a webinar with the FIT Representatives in China. This webinar will take place on Wednesday, 13 March 2024 at 10h00 to 11h15.

During this webinar, the Flemish Economic Representatives and the Flemish Technology Counsellor in China will talk about the current business climate and opportunities for SMEs one year after Covid.

The program is as follows:

10u00-10u05: Introduction by **Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce

10u05-10u55: Panel discussion with the Flemish Economic Representatives of Flanders Investment & Trade

Koen De Ridder, Flemish Economic Representative in Beijing;

Frank Van Eynde, Flemish Economic Representative in Shanghai;

Eva Verstraelen, Flemish Economic Representative in Guangzhou;

Siegfried Verheijke, Flemish Economic Representative in Hong Kong S.A.R.;

Peter Tanghe, Technology Counsellor in China;

Frederic Deprez, Deputy Director Trade APAC;

10u55-11u15: Q&A session

Practical information:

Date: 13.03.2024

Location: Online

Price members: Free

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ACTIVITIES SUPPORTED BY FCCC

Invest in China Summit 2024 – 26 March 2024 – China National Convention Center, Beijing



To fully showcase the new opportunities that Chinese modernization can create for countries around the world and share China's development dividends with global business leaders, the Ministry of Commerce of China (MOFCOM) will organize a number of activities in 2024 under the **“Invest in China” campaign** to bring foreign investors to China to learn more about and invest in the country. On March 26 MOFCOM will hold the single signature event of the year – **Invest in China Summit 2024** – at the China National Convention Center in Beijing. Global CEOs are cordially invited to join the Summit.

The conference agenda is available [here](#)

For more information, email gwen.sonck@flanders-china.be

135th Canton Fair – April 15, 2024 – Guangzhou



The 135th Canton Fair, which is renowned as “China's No. 1 Fair”, **is to be opened onsite in Guangzhou on April 15, 2024**. The Canton Fair is featured with optimized exhibition structure, various premium companies' participation, large number of exhibits, diverse supporting activities and continuously improved convenience of attending. And the previous session, the 134th Canton Fair attracted overseas buyers from 229 countries and regions, including 197,869 who attended onsite and 453,857 online.

The China Import and Export Fair, also known as the Canton Fair, is an important channel for China's foreign trade and a window of China's opening up. It plays a key role in advancing the development of China's foreign trade and the economic and trade exchanges between China and the rest of the world.

The Canton Fair is co-hosted by the Ministry of Commerce of the People's Republic of China and the People's Government of Guangdong province and organized by the China Foreign Trade Center. It is held every spring and autumn in Guangzhou, China. Since its establishment in 1957, the Canton Fair has enjoyed the longest history, the largest scale,

the biggest buyer attendance, the most diverse buyer origin, the most complete product variety, and the best business turnover in China for 134 sessions.

The 135th Canton Fair is scheduled to open on April 15, with a total exhibition scale of 1.55 million square meters. This session will provide global buyers with a one-stop trading platform featuring complete exhibit variety, quality products with competitive price, and convenient, efficient and reliable services.

For more information and registration, please see the official website of the Canton Fair: <https://www.cantonfair>

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TRAVEL

Chinese payment apps to be made easier for foreigners to use



Chinese authorities have pledged to make it easier for foreigners to use payment apps and to reduce barriers for the private sector as part of their latest efforts to restore investor confidence. It was reported that the Chinese government has approved unspecified measures to make it easier for foreigners and elderly people to use payment services. In recent years the use of cash has declined sharply in favor of payment apps, but a number of legal barriers – a result of the country's strict and complex foreign exchange controls – have made them difficult, if not impossible, for foreigners to use, with major providers being shut out of the system. These difficulties have been regularly cited by foreign business groups as a major factor in deterring visitors, with policy unpredictability and tighter national security checks also undermining China's appeal to investors.

In July, WeChat Pay and Alipay, the two dominant mobile-payment providers, allowed overseas tourists to link credit or debit cards issued by Visa, Mastercard and some other major international operators to the apps. The change allowed overseas visitors without a Chinese bank account to pay with WeChat Pay and Alipay as locals would, including by registering with their real names. Alipay is owned by Ant Group and WeChat by

Tencent. "We will continue to follow up and analyze the feedback from foreign users, and continue to optimize the product experience, so as to enhance the convenience of foreign users using mobile payments in China", said a representative of WeChat Pay.

The Chinese authorities have made it a priority to restore confidence in the private sector and among foreign investors as part of efforts to boost economic recovery. The Chinese government said in a statement: "Foreign investment is an important force for the development and prosperity of China's and the global economy. Stabilizing foreign investment should be a focus of this year's economic work." It also pledged to widen market access, further level the playing field and help boost innovations to "consolidate the confidence of foreign investors in developing in China".

China's top prosecutors' office also launched a 10-month campaign to improve the legal environment for private companies. The Supreme People's Procuratorate (SPP) said the measures would include a crackdown on corruption and crimes that undermine fair competition, better protection for property rights, greater discretion in the prosecution of business leaders and moves to tackle shell companies used for illegal activities such as fraud or tax evasion.

Premier Li Qiang will unveil the country's annual growth targets at next month's meeting of the National People's Congress (NPC), where the main policy measures are expected to include moves to tackle deflationary risks, stabilize the property market and boost market sentiment. Fixed-asset investment by the private sector contracted year-on-year by 0.4% in 2023, in sharp contrast with a rise of 6.4% of state-sector investments, according to the National Bureau of Statistics (NBS). Foreign investors have turned to other markets in the past year, pushing the country's annual net receipt of foreign direct investment (FDI) to a 30-year low in 2023, according to official figures. The Ministry of Commerce said that China attracted CNY112.7 billion in FDI in January, down 11.7% year-on-year, the South China Morning Post reports.

IT & TELECOM

Huawei launches foldable smartphone; competitors Meizhu and Oppo focussing on AI



Huawei Technologies Co launched its latest clamshell-style foldable smartphone series Pocket 2, after the company regained the No 1 spot in China's smartphone market in the first two weeks of 2024 amid the U.S. government's prolonged restrictions. The move also came as Huawei consolidated its position in the Chinese foldable smartphone segment as the top vendor amid intensified competition from players such as Oppo and South Korea's Samsung. Yu Chengdong, CEO of Huawei's Device Group, said the Shenzhen, Guangdong province-based company now accounts for 51.2% of the Chinese foldable smartphone market. The foldable form factor has been heralded as the new frontier in mobile technology.

Currently, clamshell-style foldable smartphones sell better than tablet-like ones among female consumers. Yu said the new model is priced from CNY7,499. Pocket 2 features cutting-edge camera lenses and artificial intelligence technologies which can help consumers capture better photos and videos. Global foldable smartphone shipments are expected to pass the 100-million mark by 2027 from 13.1 million units in 2022, with a compound annual growth rate of 51% during the period, said market research company Counterpoint Research. China's shipments of foldable smartphones reached 7.01 million units last year, up 114% from 3.2 million in 2022, according to a report by tech market research firm IDC.

Tom Kang, Research Director at Counterpoint, said: "At the moment, foldable smartphones remain a niche. But it is an important segment for brands looking to maintain leadership in innovation and a premium market presence." Kang said China emerged as the biggest foldable smartphone market globally in 2022. "If you want to make it in foldable smartphones, you have to make it there." A survey conducted by Counterpoint spotlights a strong interest in foldable smartphones among Chinese consumers. As many as **64% of smartphone users in the USD400 and above price bracket in China are considering foldable smartphones** for their next purchase, with 20% already committed to the idea and an additional 44% weighing it as an option.

Huawei Technologies plans to give its staff CNY77.1 billion in dividends under its employee stock ownership plan (ESOP), after the Chinese tech company made a strong comeback in the 5G smartphone market.

The dividend will be CNY1.50 a share, and the payment will be made in March or April, three Huawei employees told China Daily. Huawei, which is wholly owned by its employees, has about 51.3 billion shares outstanding. Huawei Founder Ren Zhengfei has shares in the firm as a natural person and he also participates in the ESOP, which has been in place since Huawei was set up in 1987 and is implemented through the Union of Huawei Investment and Holding. Some 142,315 workers were part of the plan as of the end of 2022, according to the firm's earnings report for that year.

Counterpoint said **the three reasons behind Huawei's success** were its latest Mate 60 sales with Chinese-developed chips, brand loyalty among consumers, and the rapid evolution and consumer acceptance of its in-house Harmony OS 4.0 operating system. Xiang Ligang, Director General of the Information Consumption Alliance, said Huawei's comeback will cut into Apple's market share in China and also weigh down its domestic peers, especially Honor Device Co, a spinoff from Huawei, which was formed three years ago. Last month, Hu Houkun, Huawei's rotating Chairman, said: "After years of hard work, we've managed to weather the storm. And now we're pretty much back on track." Huawei expected its revenue to hit CNY700 billion in 2023, a 9% year-on-year increase.

As AI impacts all corners of the devices market, smartphones are expected to be the device driving the AI revolution into every home, said a report by global market consultancy IDC. IDC's preliminary forecast suggests 170 million next-generation AI smartphones will be shipped in 2024, representing almost 15% of total smartphone shipments and a sizable jump from the roughly 51 million shipped in 2023. This share is expected to climb rapidly beyond 2024 as industry players push aggressively towards new chips and use cases that evolve further, IDC said, as reported by the China Daily.

Chinese smartphone vendors are accelerating efforts to integrate generative artificial intelligence (AI) technology into their handsets to boost sales. **Meizu**, which was acquired in 2022 by carmaker Zhejiang Geely Holding Group, announced that it will "terminate new projects on traditional smartphones" **to pursue an "all in AI" strategy over the next three years**. Headquartered in Zhuhai, Guangdong province, Meizu said it will develop devices and a customized mobile operating system that would be open to all large language models (LLMs), including those from Microsoft-backed OpenAI, creator of ChatGPT. **Oppo** also announced the start of its "AI phone era", as it **pushes forward the development of its own LLM called AndesGPT**. "The new wave of AI technology, powered by LLMs, is restructuring the future of the mobile phone industry," Chief Executive Tony Chen said. "The impact of AI on the handset industry in the next five years is comparable to when smartphones replaced feature phones," he added, as reported by the South China Morning Post.

FOREIGN TRADE

China's exports of EVs, solar cells and lithium batteries facing new challenges this year



China's CNY1 trillion exports of electric vehicles (EVs), lithium batteries and solar cells could face a new round of challenges this year, as Western policymakers have genuine anxieties about overcapacity distorting the markets. Exports of the “new three” – electric vehicles, lithium-ion batteries and solar cells – amounted to CNY1.06 trillion in 2023, registering a year-on-year increase of 29.9%, said the General Administration of Customs (GAC).

Legal action and tariff increases by the United States and European Union against a perceived oversupply of cheap products could set back a critical segment of China's economy, unless it diversifies away from the West and also boosts domestic demand, analysts said. “The key question is how these industries struggle against these growing headwinds, which aren't just tied to finding new commercial opportunities, but balancing against geopolitical and trade policy risks, as well,” said Nick Marro, Lead Analyst for Global Trade with the Economist Intelligence Unit (EIU). “I think it will be less of an ‘excuse’ for Western policymakers to engage in protectionism, and more a reflection of genuine anxieties around whether these products are distorting their own markets.” He also noted there is a “growing sentiment” in Western capitals that work against the idea of having their consumers subsidize China's growth engine.

The European Commission has launched anti-subsidy investigations into Chinese EVs and train maker CRRC Qingdao Sifang, while the U.S. Department of Commerce placed import duties on solar panel makers that finish products in Southeast Asia to avoid tariffs on made-in-China goods. The U.S. government already bars EV battery materials from China as a “foreign entity of concern”. The Ukraine war, entering its third year, is also a factor affecting China's ties with Western markets, with the British government announcing a new package of sanctions against Russia that included three Chinese electronics companies. “You can get an immediate protective effect by raising an anti-dumping case,” said

Jayant Menon, Senior Fellow at the ISEAS-Yusof Ishak Institute in Singapore. “Once a competitor loses that market share, it's difficult for the country to recover it.”

Chinese manufacturers would be able to make 4,800 gigawatt-hours of batteries in 2025, four times the demand of its EV makers, according to online investment publication Gelonghui. The annual supply capacity of solar panels reached between 800 and 1,100 gigawatt last year, well ahead of projected global demand of some 300 GW, according to the EIU. Chen Zhiwu, Chair Professor of Finance at the University of Hong Kong, said that local governments provide venture capital and land tax breaks to EV companies. “Beijing recognizes insufficient domestic demand is a key economic challenge,” said Wang Zichen, Research Fellow at the Beijing-based Center for China and Globalization. “However, expanding domestic demand is a difficult undertaking that takes time, effort, and perhaps most importantly, domestic reforms.” Top Chinese leaders called “overcapacity in some industries” a major challenge for 2024 at the annual Central Economic Work Conference in December. Marro added that China's trade frictions are as much tied to the economic challenges that it is struggling with at home. “Deflationary forces and weak domestic demand tie back to the slowing Chinese growth engine and weak consumer confidence,” he said.

The day after Brussels launched its CRRC probe, EU Competition Commissioner **Margrethe Vestager said the EU is “absolutely willing to use” its suite of trade tools to combat perceived unfair competition from China.** In a response statement, the China Chamber of Commerce to the EU (CCCEU) said that any adoption and application of policy tools “should avoid having a discriminative impact towards foreign companies.” “Throughout the EU legislative process of the Foreign Subsidies Regulation and its Implementing Regulation, the CCCEU actively participated in public consultations on the draft legislation and the draft implementation rules multiple times,” the statement read. The business group also noted that it has provided feedback to the European Commission and the EU legislative bodies in several forms, and expressed member companies' concerns about what it termed unreasonable reporting obligations imposed after the application of the regulation. Dong Jinyue, Senior Economist at BBVA Research, said that it will be a “lose-lose scenario for the EU” if the bloc mirrors the aggressive stance of the U.S.

Figures from China's General Administration of Customs (GAC) showed that total imports and exports between China and the EU decreased 7.6% to USD782.9 billion in 2023, as compared to the 2.4% yearly growth to USD847.3 billion recorded in 2022, the South China Morning Post reports.

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CHINA NEWS ROUND-UP

EU blacklists Chinese companies in Russia sanctions package

The European Union has for the first time agreed to **blacklist Chinese companies in a new sanctions package targeting Russia**. Ambassadors from the union's 27 member states greenlit its 13th package of sanctions since the Russian invasion of Ukraine began two years ago. As part of this, three mainland Chinese entities and one registered in Hong Kong will be barred from doing business with European counterparts. They stand accused of helping Russian buyers access goods with dual military and civilian uses that were made in Europe, but banned from being exported to Russia by the EU. Hungary decided not to veto the package after threatening to do so. The three mainland Chinese companies are **Guangzhou Ausay Technology Co, Shenzhen Biguang Trading Co, Yilufa Electronics**. The Hong Kong company is **RG Solutions**. They are part of a group of 193 named entities in the latest round of sanctions, including firms from Turkey, Kazakhstan, North Korea and India, bringing the total number blacklisted to almost 2,000.

"I welcome the agreement on our 13th sanctions package against Russia. We must keep degrading Putin's war machine," said European Commission President Ursula von der Leyen. For China, it marks the end of a long quest to prevent its companies from being blacklisted over the Ukraine war. Last summer, officials removed five Chinese entities from a previous sanctions package after intense lobbying from diplomats in Europe and assurances the firms would stop supplying Russia. EU leaders directly raised the names of 13 other Chinese entities they said were providing Moscow with sanctioned goods with President Xi Jinping during a summit in Beijing in December. The Chinese mission to the EU did not immediately respond to a request for comment. In an interview last June, after the Chinese companies had been removed from the list, China's Ambassador to the EU Fu Cong said "we're glad that the Chinese companies have been removed from the list, and it shows that dialogue can work".

The European Commission last year introduced a nuclear option that would allow the bloc to target countries as a whole, rather than individual entities, should there be persistent flouting of sanctions. However with EU unity on Ukraine fraying at the seams, particularly on sanctions, it appears unlikely that the unanimity required to adopt such a measure will be reached. While Hungary did not block the latest package, its officials have made clear that they disagree with it. "There is no reason to veto it," Hungarian Foreign Minister Peter Szijarto said after a meeting with his ministerial counterparts, but he added that "the EU is making the wrong decision", the South China Morning Post

reports.

Growth of FDI high on China's agenda this year

China will put the stability and growth of foreign investment high on its economic agenda this year, with more dedicated efforts channeled toward expanding market access, fostering a fair competitive climate, and facilitating the flow of innovative factors, the Chinese government said. Foreign investment plays a vital role in promoting common prosperity and the development of the Chinese and world economies, according to the State Council Executive Meeting chaired by Premier Li Qiang. China saw a significant increase in the number of newly established foreign-invested enterprises in January, said the Ministry of Commerce (MOFCOM), with 4,588 companies being set up nationwide, representing year-on-year growth of 74.4%. Meanwhile, China has witnessed the continuous optimization of its foreign investment structure, the Director of the Ministry's Foreign Investment Administration (FIA) said, pointing out that FDI in high-tech manufacturing in January jumped 40.6% on a yearly basis.

However, **foreign direct investment into the country in terms of actual use edged down 11.7% year-on-year to CNY112.71 billion last month**. Going forward, more forceful measures will be employed to forge a world-class, market-oriented business environment governed by a sound legal framework, in order to solidify the confidence of foreign investors in expanding their presence in China and improve the overall quality of the investment and trade environment, the meeting said. China's enduring appeal as a magnet for foreign investment is expected to persist thanks to its infrastructure development, technological advancement, industrial capabilities and super-sized market, said Gao Lingyun, Researcher at the Institute of World Economics and Politics of the Chinese Academy of Social Sciences (CASS). The global slump in cross-border investment and shifting geopolitical dynamics, however, will pose significant obstacles, said Gao, adding that many countries, particularly developing nations and emerging economies, are actively loosening their investment restrictions and competing fiercely to attract foreign capital.

China's unwavering dedication to openness and its welcoming stance toward foreign companies will continue to make it a popular choice for global investment, Commerce Minister Wang Wentao said at a news conference in late January, as reported by the China Daily.

Ten major cities set GDP growth target rate at 6% or higher in 2024

China's first-tier cities – 26 cities each with a GDP of more than CNY1 trillion in 2023 – have set their annual GDP targets a notch higher this year as the meetings of the regional people's and consultative congresses concluded. Analysts said the proactive moves by these cities, which often play a vital driving role in their respective provinces, will encourage other cities within their provinces to strive harder in the pursuit of economic development this year. An analysis of the 26 cities, which accounted for 40% of China's GDP in 2023, has revealed that they are proactively leaning toward driving up growth in 2024. Most top localities are setting GDP targets at about and above 5% for 2024. Ten cities, including Chongqing municipality and Wuhan, capital of Hubei province, have set targets at 6% or higher, with Zhengzhou, capital of Henan province, announcing a 7% growth target – the highest growth target among the 26 cities. Thirteen cities put their annual targets at rates faster than what they actually achieved in 2023, and all but one set a growth target of above 5%.

Dongguan, an export and manufacturing hub in Guangdong province, whose economy grew 2.6% last year recovering from the pandemic's impact and global supply chain readjustment, aims to nearly double its growth this year with a stated target of 5%. The fact that some key cities are setting higher targets shows that they believe they have the economic potential to grow at a faster rate, given the right policy incentives, and assuming they can fully tap the vigor of market entities, Li Chang'an, Professor at the Academy of China Open Economy Studies of the University of International Business and Economics, told the Global Times. These higher targets will have a positive spillover effect on other cities, encouraging them to strive further in terms of production, investment and consumption, laying a foundation for the national economy to leap forward, Li noted. Cao Heping, Economist at Peking University, told the Global Times that with their ability to exert a pull factor on regional and downstream growth, these cities are 26 economic locomotives scattered across China. Analysts noted that localities with abundant new productive forces, with sectors such as new-energy vehicles, are moving faster. The ambitious growth goals came as more support policies are being implemented to give the economy a needed push.

The People's Bank of China (PBOC) cut its benchmark mortgage reference rate by 25 basis points (bps), the largest one-time rate reduction in years, in a renewed effort to stimulate credit demand and revive the property market. The move followed a cut in the reserve requirement ratio (RRR), the amount of cash that banks must hold as reserves, of 50 bps from February 5, with approximately CNY1 trillion of long-term liquidity injected into the market. Following solid growth of 5.2% in the fourth quarter of 2023, the Chinese economy is expected to register slightly better results due to higher vehicle sales, a surge in tourism that started last winter, and stellar consumption during the Spring Festival holidays. "The better-than-expected situation should underpin a first quarter year-on-year GDP growth rate of 5.4% or higher," Prof. Cao said. Professors Li and Cao predicted that the central government will set this year's growth target at

above 5%, the Global Times reports.

Zhang Wencai, Vice President of China Exim Bank, appointed Managing Director of the World Bank

The Chinese government welcomed the announcement by the World Bank of the appointment of Zhang Wencai, Vice President of the Export-Import Bank of China, as Managing Director and Chief Administrative Officer (CAO), Mao Ning, Spokesperson of China's Foreign Ministry, told a press conference. China supports the reform of the World Bank to strengthen its development objectives and institutional capacity, and help developing countries realize sustainable development and effectively respond to global challenges, Mao said. "We look forward to continuing to deepen our cooperation with the World Bank and making positive contributions to the global cause of poverty reduction and development," she noted. The World Bank also has had a number of Chinese experts in important positions. For example, Lin Yifu served as World Bank Chief Economist and Senior Vice President of Development Economics and Chen Guangzhe was the Vice President for Infrastructure at the World Bank as of February 1, 2023.

At the World Bank, Zhang Wencai will be responsible for institutional strategy, planning, budgets, information technology services and the sanctions system. Zhang is the Vice President of the Export-Import Bank of China and also a Trustee of the International Financial Reporting Standards Foundation. Previously, he served as Vice President of the Agricultural Development Bank of China, Vice President of the Asian Development Bank (ADB), and Director General of the Department of International Economic and Financial Cooperation at China's Ministry of Finance, having rich experience in the development field.

As the third-largest shareholder of the World Bank, China supports the bank's reforms to strengthen its development objectives and institutional capacity, to help developing countries address global challenges and to realize the UN 2030 Agenda for Sustainable Development, the Ministry said, as reported by the Global Times and China Daily.

Chinese team develops tech to put a whole data center on DVD-sized disk

A research team in China says it has developed a technology that allows a massive data set – equal to about 5.8 billion indexed web pages – to be stored in a device the size of a desktop computer. For perspective, if the data was stored using 1-terabyte hard drives, the devices would cover an area about the size of an average playground. "This technology makes it possible to achieve exabit-level storage by stacking nanoscale disks into arrays, which is essential in big data centers with limited space," the team wrote in an article published in the peer-reviewed journal Nature. The scientists are from the University of Shanghai for Science and Technology, Peking University, as well as the Shanghai Institute of Optics and Fine Mechanics and Key Laboratory of Photochemistry, both under the Chinese Academy of Sciences (CAS). The

global data volume is projected to reach 175 zettabytes by 2025, according to global market intelligence provider International Data Corporation (IDC). One zettabyte is 1 trillion gigabytes.

The scientists used optical data storage (ODS), a light-based storage method commonly used in DVDs. It is cost-efficient and durable, but its capacity is limited since it usually stores data in a single layer. The Chinese team said they created a **three-dimensional architecture to store data across hundreds of layers instead of one**, resulting in the optical data storage capacity **reaching the petabit level for the first time**. The layers of the disk are just 1 micrometer apart, allowing it to remain as thin as a regular DVD. The scientists wrote and read the data using laser beams. "The ODS has a capacity of up to 1.6 petabits for a DVD-sized disk area through the recording of 100 layers on both sides of our ultrathin single disk," the researchers said, adding that it can store 24 times the data of today's most advanced hard disk drives. "It will thus become possible to build an exabit-level data center inside a room instead of a stadium-sized space by stacking 1,000 petabit-level nanoscale disks together resulting in a large number of cost-effective exabit data centers."

Existing data centers require vast amounts of energy to operate, while internal devices generate immense heat, which requires even more power for cooling. The International Energy Agency (IEA) estimated that data centers across the world consumed about 1% of total global electricity demand in 2022. In China, the National Energy Administration (NEA) said the total electricity consumption by the country's data centers was 270 billion kilowatt-hours in 2022, almost triple the amount of power generated in the same year by the Three Gorges hydropower station – the world's largest power-generating facility. The consumption totaled about 3% of China's total electricity usage, the South China Morning Post reports.

Shanghai to build two joint-venture universities

Shanghai will press ahead with the construction of two Sino-foreign joint venture universities this year, according to the annual plan of the Shanghai Education Commission. The two universities, with the working names **Sino-German University of Science and Technology Shanghai** and the **Sino-British Arts Institute** in Shanghai, aim to provide high-level, interdisciplinary talent that meets industrial needs while promoting the high-level opening-up of Shanghai, the Commission said. Tongji University, on the Chinese side of the Sino-German university joint venture, said the new school will be established with reference to Germany's universities of applied sciences. The German University Consortium for International Cooperations and three German universities involved in the joint venture will incorporate their educational philosophy, mode of operation, curriculum system and management experience into the joint venture.

The joint venture will expand its cooperation with German partner universities, business circles of both countries and other international enterprises in Shanghai, Tongji University said. According to the memorandum of understanding (MOU) signed in June, the proposed

university will be located in the Lingang Special Area of the China (Shanghai) Pilot Free Trade Zone in Pudong district. The German consortium is comprised of 37 of the strongest universities of applied sciences in Germany, and its member universities carry out talent training and applied scientific research to meet the needs of modern manufacturing enterprises and the industrial needs of the Lingang area. Fang Shou'en, Party Secretary of Tongji University, said the joint venture will be another important milestone in the win-win cooperation between China and Germany in higher education. "The new university will be the first Sino-foreign joint venture school in China that uses the model of the German universities of applied sciences," he said.

The Sino-British Arts Institute in Shanghai will be a joint venture between Shanghai-based Donghua University, which has a focus on textiles, materials and design, and the London-based Royal College of Art (RCA). The joint venture school aims to cultivate high-level, international and first-class talent in the fields of art, design and creativity, and help expand in-depth cooperation and mutual learning between China and the United Kingdom in the field of higher education. It is also meant to support the urban development of Shanghai as an international city of design, fashion and brands, according to Donghua University. RCA is the oldest graduate school of art and design in the world, and has been ranked first in the category of art and design on the QS World University Rankings for eight consecutive years.

Shanghai New York University was the first Sino-foreign higher education institute in Shanghai. Founded in 2012, NYU Shanghai is regarded as a pilot program in China-U.S. educational cooperation. It currently has more than 1,800 undergraduates from nearly 80 countries and regions, about half of whom are international students, the China Daily reports.

Solar and wind farms in the Gobi desert can help China compete with the U.S. in AI

Booming solar and wind farms in the Gobi desert can help China compete with the U.S. in the AI race, industrial expert says. In the vast expanse of the Gobi and other deserts in northwestern China, a "world-leading" electricity production and transmission network is taking shape. The scientists and engineers at the helm of this energy revolution estimate that the existing installed capacity for power generation in northwestern China is almost 500 gigawatt. When combined with the significant Gobi desert area in nearby Inner Mongolia, the figure is 600 GW. In comparison, all United States power plants combined produced about 1,100 GW at the end of 2022, according to the U.S. Energy Information Administration. Furthermore, more than half these energy facilities in northwestern China are fueled by forces of nature: wind and solar energy. Despite the unpredictability of renewable sources, these green power plants achieve an average utilization efficiency over 95%. Until now, no other large regional power grid has seamlessly integrated such a substantial portion of renewable energy while maintaining such high utilization rates throughout the year.

Northwest China comprises five inland provincial areas, spanning more than 3 million sq km, an area larger than India. The region is rich in natural resources, including oil, coal and an abundance of green energy sources. It is the source of 60% of China's solar energy and one-third of its wind power. The installed capacity of renewable energy in the region has reached 230 GW, with half transmitted over 10 ultra high-voltage direct current transmission lines to densely populated eastern coastal provinces. China's northwest power grid has surpassed the EU in core renewable energy utilization, reaching world-leading levels. China has built the world's most advanced high-voltage long-distance direct current transmission lines, effectively reducing power loss during long-distance transmission.

An AI entrepreneur in Beijing said **energy supply would be pivotal in the looming competition for national strength between China and the U.S.** The Biden administration, in a bid to stifle China's AI progress, has banned the sale of cutting-edge AI chips to China. "The advantage of these chips lies mainly in their slightly lower power consumption. But as China's electricity supply grows, Chinese firms can use less advanced chips to achieve similar AI training results," said the entrepreneur, who asked to remain anonymous. "The increased electricity costs are negligible compared to the overall investment in the AI race." Before the Covid pandemic, China's power generation capacity was twice that of the U.S.; now, it is nearly three times as much. U.S. electricity prices rose 20% from 2021 to 2023 because of inflation while China's have remained steady. The Chinese government is forging ahead with plans to build data centers and AI servers in energy-abundant western regions, aiming to bolster the global competitiveness of tech giants such as Huawei, the South China Morning Post reports.

More Chinese cities report increases in home prices

More Chinese cities reported home price rises in January compared to December, suggesting the ongoing market correction may end soon and stoke expectations of a mild sales pickup in benchmark Chinese cities around early spring, industry experts said after digesting the latest data from the National Bureau of Statistics (NBS). Fewer cities reported home price drops in January. Price declines narrowed as well in most cities, said Wang Zhonghua, NBS Statistician. In month-on-month terms, 56 out of the 70 Chinese cities tracked by the NBS reported drops in new-home prices in January, compared to 62 in December. In year-on-year terms, 53 cities reported drops in new-home prices in January, compared to 48 in December. "More cities saw their new-home prices rise for the first time in the past 11 months, indicating demand is rising gradually, causing positive correction in home prices," said Yan Yuejin, Director of the Shanghai-based E-house China Research and

Development Institution. Eleven cities' new-home prices rose last month, against seven in December, Yan said.

New-home prices in the four top-tier cities – Beijing, Shanghai, and Guangzhou and Shenzhen in Guangdong province – fell 0.3% from December, and declined 0.5% year-on-year, NBS data showed. The 31 second-tier cities tracked by the NBS reported that new home prices dropped 0.4% both month-on-month and year-on-year on average in January. In 35 third-tier cities, new-home prices declined 0.4% month-on-month and dropped 2.1% year-on-year. "All the three tiers of cities reported slower month-on-month home price declines in January, and this trend is particularly evident among the first-tier cities," said Li Yujia, Chief Researcher at the Guangdong Planning Institute's Residential Policy Research Center. Since December, the four largest Chinese cities have lifted some of their home purchase restrictions, and also lowered the down payment ratio for first-home and second-home purchases, Li said.

Thanks to its solid fundamentals, Shanghai remained the most resilient city in terms of home prices, with new-home prices up 0.4% month-on-month and up 4.2% year-on-year in January, Yan said. "The home price index suggested that after three months of large-scale corrections, the home market is showing signs of stabilization, especially considering the supportive measures for shoring up demand and extending financing to property development," said Zhang Dawei, Chief Analyst at Centaline Property Agency.

Property regulations were tweaked, revised or amended 1,008 times across the nation last year. This has not only lowered requirements for home buying but greatly lowered the cost of buying residential properties in various Chinese cities. "Given the biggest-ever 25-basis-point cut to the over-five-year loan prime rate, many lenders will likely lower their mortgage rates. So, a mild pickup is highly likely in top-tier cities in the first quarter. The housing markets in other Chinese cities will probably continue the adjustment and prices there may bottom out in the coming months," said Zhang.

Meanwhile, **prices of second-hand homes also appeared to be stabilizing,** NBS data showed. Some 68 cities saw prices drop month-on-month in January, compared to 70 in December. The four first-tier cities reported that home prices in the secondary market slid 1% month-on-month and dropped almost 5% year-on-year, the China Daily reports. The People's Bank of China (PBOC) on February 20 lowered the five-year loan prime rate (LPR), which commercial banks use as a benchmark to adjust their mortgage rates, from 4.2% to 3.95%, marking the largest rollback since the system was introduced in 2019. Following the cut, housing loan rates for first-time homebuyers can fall to as low as 3.75%, and rates on second-home mortgages could decline to 4.15%, he said. The central bank last cut the rate by 10 basis points in June. Meanwhile, the one-year LPR – an indication of market lending rates – remained unchanged at 3.45%.

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