

China Business Weekly

2 July 2024



Webinar: Key IP Considerations for Cooperation with Chinese Partners Tuesday, July 16, 2024 – 10 am CEST



The Flanders-China Chamber of Commerce (FCCC), the EU-China Business Association (EUCBA) and the China IP SME Helpdesk are organizing a webinar on the topic of **“Key IP Considerations for Cooperation with Chinese Partners”**. The webinar will take place on **Tuesday, July 16, 2024 at 10 am CEST**.

SMEs’ trade secrets and valuable know-how are often lost during the initial business meetings with potential new business partners or during trade fairs when introducing their products or services to potential new buyers. In collaboration with the Flanders-China Chamber of Commerce, the China IP SME Helpdesk is inviting an IP expert to discuss how to design a comprehensive IP protection strategy when meeting potential new cooperation partners in China.

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CMG Europe-China Conference Shenzhen (ECCS) 10-13 November 2024 – Shenzhen, China



The [China Macro Group](#) (CMG) – in partnership with the Flanders-China Chamber of Commerce (FCCC) and the EU-

China Business Association (EUCBA) – is curating and organizing the [Europe-China Conference Shenzhen \(ECCS\)](#) from November 10-13, 2024.

ECCS is a compact **3-day business learning conference** with **high-value content** presented by leading experts, **site visits** to leading local tech and "new economy" firms as well as **networking time** with your peers and European business practitioners in China. The conference content is designed to support **European headquarters** across corporate, investment and public sectors in times of strategic decision-making regarding China and centers on key **contextual factors** ranging from a rapidly evolving local market and competitive environment to China's developmental challenges and persisting geopolitical tensions.

Target groups are **professionals holding managerial positions** across sectors and functions in European institutions, primarily based in Europe.

Visit the [dedicated ECCS 2024](#) website to **learn more about this conference** and its **key benefits for target groups**, and to check out past credentials of curating a similar conference last year in fall in Shenzhen.

To deliver this conference as a value-adding experience for the esteemed participants, CMG is drawing on its **curational and advisory experience** as well as on its **extensive network in Shenzhen** and across China, comprising local and international KOLs, experts and business practitioners. CMG is also happy to cooperate again with **local partners**, including the South China chapter of the European Union Chamber of Commerce in China (EUCCC), Caixin Shenzhen and various European Consulates in Guangdong Province.

Should you have any questions, please do not hesitate to contact conference@chinamacro.ch. Two online events on [July 01](#) and [July 08](#), 2024 are taking place to provide you the necessary information about the trip.

Practical information:

Destination: Shenzhen

Target Audience: Professionals in managerial positions in European organizations, primarily based in Europe

Date: 3 full days, **Sunday noon till Wednesday noon**, November 10-13, 2024

Price: 2,750 EUR per participant, excl. flights/hotel nights (corporate rates of available hotels will be communicated later)

Programming: 1. Economy/Business; 2. Shenzhen/Technology; 3. China in the World/Geopolitics; 4. Society/Culture

Registration deadline: mid July 2024

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PAST EVENTS

Webinar: EUCCC presentation of the Business Confidence Survey – 26 June 2024



The EU-China Business Association (EUCBA), the EU Chamber of Commerce in China (EUCCC) and BusinessEurope organized a webinar focused on the **EUCCC's Business Confidence Survey (BCS)** on June 26.

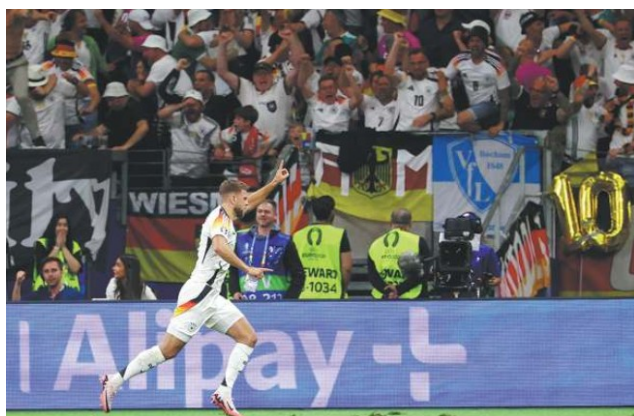
Ms. **Gwenn Sonck**, Executive Director of the EU-China Business Association (EUCBA), introduced the topic of the webinar and the speaker. Mr. **Adam Dunnett**, Secretary General, EU Chamber of Commerce in China (EUCCC), presented the result of the Business Confidence Survey (BCS). Ms. **Luisa Santos**, Deputy Director General, BusinessEurope, presented the closing remarks.

A detailed report will follow next week.

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FOREIGN TRADE

Chinese companies present at Euro 2024 with sponsorships and advertisements



Although China's national soccer team is not taking the field at Euro 2024, China's flagship companies are filling stadiums and television screens with advertising through hefty sponsorship deals. Chinese companies account for more than one-third of the 13 top-tier sponsors at the ongoing UEFA European Championship in Germany, making the country the single-biggest source of sponsorship for the event. The strong sponsorship demonstrates the rising technological prowess and competitiveness of Chinese brands on the global stage and their commitment to expanding into overseas markets, experts said.

Ant Group, home appliance firm Hisense, e-commerce platform AliExpress, smartphone manufacturer Vivo and electric vehicle maker BYD are among the official global sponsors for the championship, which runs from June 14 to July 14.

Alipay+, the cross-border mobile payment platform owned by Ant Group, announced plans to expand the acceptance of cross-border digital payments, and provide convenient payment services and special benefits for global soccer fans and travelers through its merchant network during the tournament. Together with the company's two other international brands – Antom

merchant payment services and international payments business WorldFirst – Alipay+ has appeared on LED billboards at stadiums and on 50 TV channels across Europe. The UEFA top scorer trophy, sponsored by Alipay+, will be awarded at the Euro 2024 final in Berlin. The company is accelerating its presence in the United Kingdom and EU countries including France, Italy, Spain and Germany as globalization is one of its core strategies. As of this month, over 400,000 merchants in Europe accept mobile payments through Alipay+ from 14 international e-wallets and banking apps, according to a news release from the company.

Users of Alipay+ partner wallets can make mobile payments at department stores, supermarkets, convenience stores, airports, duty-free stores, restaurants and tourist attractions by just scanning an Alipay+ QR code. Alipay+ expects this summer to be busier than usual as sports fans travel from around the world to watch Euro 2024 and the upcoming Paris Olympic Games. The company said it will enable more merchants to benefit from the expected influx of fans, athletes and tourists via its mobile payment technology and digital solutions. In 2018, Ant Group's digital payment arm Alipay and UEFA announced an eight-year global partnership for all UEFA national team soccer competitions from 2018 to 2026, including Euro 2020, Euro 2024, and the UEFA Nations League finals. Before the partnership, the sponsorship of major global sporting events had for decades been provided by international bank cards like Mastercard and Visa.

This year's European Championship is expected to draw a global audience of more than 5 billion, according to the marketing director of UEFA. Other global sponsors of the event include Adidas, Booking.com, Coca-Cola and Qatar Airways. UEFA estimates Euro 2024 will generate €2.4 billion in revenue, mainly from broadcast and sponsorship deals, ticket sales, hospitality, and licensing fees for official merchandise. The tournament presents an important opportunity for companies to reach new consumers, increase brand exposure, and expand their businesses in

overseas markets, industry insiders said. In the 1980s and 1990s, it was common for Japanese and South Korean companies, such as Sharp and Samsung, to be major sponsors of international sports events, but in recent years they have been absent from top-tier sponsorship. Chinese brands are now leading the change of sponsors, with their names seen in commercials and on billboards at global sports competitions.

Hisense is a sponsor of the UEFA European Championship for the third consecutive time. The company is the official screen provider for the video assistant referees (VAR) during this year's tournament, and it is providing display technology support for the central VAR room in Leipzig, Germany, to help on-field referees make decisions. "Continued investment in world-class sporting events represents Hisense's determination to become a global brand, and it helps us build stronger relationships with global consumers and accelerates the company's globalization process," said Jia Shaoqian, Chairman of Hisense. In 2016, the company became the first Chinese sponsor of the UEFA soccer championship. It also sponsored the 2018 FIFA World Cup in Russia and the 2022 World Cup in Qatar.

Shipments of Hisense TVs in Europe surged 35.9% year-on-year in the first quarter of 2024, according to market consultancy AVC Revo. The company accounted for 13.6% of global TV shipments during the same period, ranking second in the world, according to market research company Omdia. Hisense, based in Qingdao, Shandong province, has ramped up efforts to expand its footprint in the European market in recent years. The company has set up six research and development centers and five major manufacturing bases, with sales revenue on the continent rising 19.5% year-on-year to €3.8 billion last year. Hisense's total revenue surpassed CNY200 billion last

year, while its overseas sales reached CNY85.8 billion, accounting for 43% of its total revenue.

BYD is for the first time an official partner of the European Football Championship, and has replaced German automaker Volkswagen as the event's official vehicle supplier. "This prestigious event will enable us to showcase our latest advancements in electric vehicles to a far-reaching audience," BYD said on its website. The company is providing a diverse range of new energy vehicles (NEVs) and presenting its cutting-edge technologies at the competition venues. BYD exported over 242,000 vehicles last year, surging 334% year-on-year. It has entered the markets of more than 70 countries and regions, including 19 European nations. In December, the company announced it plans to build a new EV production base in Hungary as it steps up efforts to make inroads into the European market. The facility, the first of its kind to be built by a Chinese auto company in Europe, is expected to create thousands of jobs. Hungary will be the center for BYD's European production operations, it added.

Ouyang Rihui, Assistant Dean of the Central University of Finance and Economics' China Center for Internet Economy Research, said: "An increasing number of Chinese enterprises, especially those gaining a competitive edge in frontier sectors including digital payments, cross-border e-commerce, smartphones and NEVs, are seeking new development opportunities in overseas markets fueled by the rise of China's economic strength and industrial upgrade." Sponsoring Euro 2024 shows Chinese enterprises want to expand their sales channels and increase their voice on international cooperation, Ouyang said. The sponsorship will help more overseas consumers learn about China's technological advantages in some emerging and strategic forward-looking sectors, he added, as reported by the China Daily.

Premier Li Qiang calls on countries to make a bigger pie together at Summer Davos in Dalian



Premier Li Qiang gave the keynote speech at this year's 15th Annual Meeting of the New Champions (Summer Davos) in Dalian, Liaoning province. He has called for countries around the world to make a bigger "pie" together to promote both their own development and the global economic recovery. The world economy lacks sufficient growth momentum due to various factors including the

shock from the Covid-19 pandemic, high inflation and the worsening debt issue. In his speech, Premier Li said that if countries only think about maximizing their own interests without considering that of others, and even turn back the wheel of history by decoupling and cutting off industrial and supply chains with the "small yard and high fence" policy, it will only raise the cost of global economic operations, sever economic ties between regions and intensify contradictions and disputes. **Li called on all countries and regions to work closely together, oppose bloc confrontation and decoupling,** maintain the stability and unimpeded flow of industrial and supply chains, and promote trade and investment liberalization and facilitation. "That would even drag countries around the world into a vicious cycle where they vie for a pie, but the pie is becoming smaller and smaller amid the fight." Premier Li's speech provides a good insight into understanding the global leadership's perspective on the economy, according to the Global Times. A transcript of Premier Li's speech is available [here](#).

Premier Li said the right choice should be to approach

development with a broader horizon and mindset, and to seek reasonable interests in making a bigger pie together, in order to give a lasting impetus to the world economy. Li said the rapid rise of new industries in China is in line with the global trends of the technological revolution and green development, rooted in its unique comparative advantages, such as an enormous market, a full industrial system, abundant human resources and talent, and diverse application scenarios, as well as the prominent role of enterprises in innovation. Li underlined the importance of building an open world economy, and called for deepening technological exchanges and cooperation.

Polish President Andrzej Duda and Vietnamese Prime Minister Pham Minh Chinh attended the opening ceremony of the Annual Meeting of the New Champions.

Wan Gang, former Minister of Science and Technology, suggested that the EU should **consider renegotiating the EU-China Comprehensive Agreement on Investment (CAI)** with China, instead of going ahead with the proposed higher tariffs on Chinese EVs. The CAI was signed in December 2020 to facilitate trade and investment between European and Chinese companies. Under the agreement, EU firms can get better access to emerging sectors like new energy in China. But the European Parliament voted to freeze the agreement's ratification in May 2021. "It is necessary for the two sides to negotiate properly to move forward together toward economic globalization. Renegotiating the CAI could be an opportunity," said Wan, who is also President of the China Association for Science and Technology.

Officials and business leaders present at the meeting said China still has the capability and conditions to further tap its consumption potential to sustain high-quality growth. "China is moving to a higher-income country," Zhu Min, former Deputy Managing Director of the International Monetary Fund (IMF), told a forum. "The real big chance is related to the consumption bundle. The consumption basket changed dramatically." He noted a

shift in consumption from people's needs in basic consumer goods like clothes, transportation and housing to advanced consumption in services including education, healthcare, entertainment and tourism. "So I think in the future we need to upgrade on the supply side to provide a service consumption bundle to the consumer." Retail sales rose 3.7% year-on-year in May versus 2.3% in April.

Participants highlighted the importance of free and fair trade and the necessity to cooperate in the electric vehicle (EV) sector for green transformation. They also voiced their strong opposition to trade barriers. On the theme "Next Frontiers for Growth," Summer Davos, held from June 25 to 27, brought together some 1,600 leading figures from the public and private sectors across nearly 80 countries and regions to jointly explore new drivers and pathways for global economic growth.

In an interview with the Global Times, Sandiaga Salahuddin Uno, Minister of Tourism and Creative Economy of Indonesia, offered high praise for Chinese EVs. Currently, EV prices in Indonesia are quite high, but some Chinese manufacturers have already begun distributing EVs here, Uno said, indicating a possible reduction in prices with the participation of Chinese players. Niklas Gustafsson, Director of Public Policy and Regulatory Affairs with Volvo Group, said at a panel discussion "we believe in free and fair trade all over the world." Volvo Group can only sell a small portion of its turnover in its home country Sweden, because it is a small country, but "we are present in 190 markets around the world including in China," Gustafsson said, showing how the car company needs global free trade for win-win development. Yao Yang, Professor of Economics at the National School of Development and Director of the China Center for Economic Research at Peking University, said during a panel discussion that the extra tariffs will not prevent Chinese EVs from entering European markets because China has a cost advantage, with vehicles often being between 30% to 50% cheaper than others on the market, the Global Times and the China Daily report.

BANKING

Banking and payment services made more convenient for foreigners



As national guidelines on improving payment services were released recently, **Bank of China (BOC)** has responded by **increasing the number of merchants accepting overseas bank cards, ensuring the availability of cash withdrawals and foreign currency exchange, providing digital renminbi and QR code payments, and facilitating the opening of bank accounts by foreigners.** BOC, as a large state-owned commercial bank, hopes to provide better services for overseas visitors and the elderly. With the increase of China's visa-free travel policy, payment difficulties faced by foreign visitors to China are receiving more attention. To address them, BOC has improved measures in five areas: domestic services for overseas bank cards; cash exchange; QR code payments; domestic account opening and the use of the digital RMB.

BOC is committed to breaking down cross-border payment barriers and providing payment guidance to overseas visitors at the earliest opportunity. With airports the first stop for overseas visitors, a service center at Xian Xianyang International Airport was officially launched in late March. It was established by BOC's Shaanxi branch and provides professional services such as foreign language payment consultation, foreign currency exchange and ATM cash withdrawals, and also registration and card binding for mobile payment software. A Pakistani tourist at the airport thanked the BOC staff for helping him bind a debit card to an app for quick payment. In the past, he had to prepare cash but now he can pay taxi fares and do shopping using only his smartphone.

BOC has made efforts to provide diversified and convenient payment services for overseas visitors to China. It has increased the acceptance of overseas cards, expanded cash services, optimized foreign currency exchange and the opening of accounts, and set up a multilevel payment system involving card payments, QR code scanning and cash as a backup. BOC's branches offer exchange services for 38 currencies, allowing customers to exchange small amounts of foreign currency with a passport or other valid identification without the need to open an account. It has installed self-service foreign currency exchange machines at airports, ports and hotels that support the exchange of 20 currencies and

authorized more than 1,500 hotels and airport exchange points to provide foreign currency exchange services.

The bank has also developed a WeChat mini program called "BOC Compass" with multilingual support, providing detailed answers to financial questions. This includes financial guides, exchange rates and departure tax refunds. BOC supports customers from countries and regions such as Singapore, Malaysia, Australia, Japan, South Korea, Canada and Cambodia to use the local BOC application for QR code payments at domestic China UnionPay merchants. Foreign individuals can also bind their overseas bank cards or domestic bank cards issued by BOC to WeChat and Alipay for domestic QR code payments and in-app payments.

Although mobile payments have developed rapidly and brought convenient and efficient payments, **some elderly people still prefer to use cash**. As such, they face challenges like the "digital divide" and "payment barriers". BOC has taken measures to address the difficulties in payment services for the elderly. The bank has piloted "mini wallets" with banknotes of CNY10, CNY5 and CNY1, to offer seniors more convenience for small payments. It has increased the distribution of "mini wallets" at key locations such as exchange points and public transportation hubs. More than 1.07 million "mini wallets" were issued by June 15, including more than 410,000 across 17 key cities, the China Daily reports.

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CHINA NEWS ROUND-UP

Long-awaited third plenum to be held from July 15 to 18, setting economic course for the next five to 10 years

The Chinese Communist Party will hold the Third Plenum of the 20th Central Committee from July 15 to 18. In the past, third plenums have often launched major reforms. During the Third Plenum of the 11th Central Committee in 1978, former leader Deng Xiaoping ushered in policy changes that paved the way for decades of rapid economic growth and opening to the outside world. The third plenary session of the 18th Central Committee held in 2013 was also of epoch-making significance, as it marked the beginning of a new stage in China's reform and opening-up that underpinned China's high-quality development over the past several years despite complex international and domestic situations.

This year's third plenum carries historical significance given the structural economic slowdown, global geopolitical tensions and an increasing emphasis on coordinating development and security, observers said. A document on further comprehensively deepening reform

and advancing Chinese modernization is expected to be issued after the meeting. The goal is to "complete the building of a high-standard socialist market economy by 2035", when "socialist modernization will be basically achieved".

Experts said the plenum offers the CPC leadership an opportunity to outline how it plans to manage the structural slowdown following a period of rapid economic growth, and will provide indications as to the future direction of the Party's key priorities, including technological self-reliance and innovation, national security and economic growth. Policies will be finalized to address an increasingly uncertain economic outlook, alleviating the uncertainties affecting both consumers and investors.

In 2023, China's GDP growth exceeded CNY126 trillion, up from about CNY59 trillion in 2013, and a mere CNY367.9 billion in 1978, the year that marked the start of China's decades-long reform and opening-up. "Reform is the driving force for development," President Xi said, while chairing a symposium in Jinan, Shandong province, in May, attended by representatives from business and academia. He said that China should take resolute steps to

remove the ideological and institutional barriers hindering the advancement of Chinese modernization, and double down on efforts to resolve deep-seated institutional challenges and structural issues. The third plenum will not only offer a clear path to achieving Chinese modernization, but will also rally the entire Chinese nation to overcome new challenges and strive to realize such a grand goal, experts said, as reported by the China Daily and Global Times.

Allianz to acquire stake in Chinese pension insurer

Chinese national pension insurer Guomin Pension & Insurance Co announced that German investment firm Allianz Global Investors will become a strategic investor. Analysts said that foreign financial institutions and “patient capital” continue to increase investment in China’s pension finance market, indicating their confidence in the country’s long-term economic growth and enormous business opportunities brought about by China’s financial opening-up. According to a statement on the website of Guomin Pension & Insurance Co, Allianz Global Investors plans to spend about CNY284 million to buy a total of 228 million shares of the insurer. After the deal, Allianz Global Investors will have a 2% stake in the insurance firm. The deal needs to be approved by the National Financial Regulatory Administration (NFRA).

Guomin Pension & Insurance Co, jointly launched by China’s largest banks and insurers in 2022, said its in-depth cooperation with Allianz Global Investors will bring an international perspective and professional experience, helping the company enrich products and services and better meet the public’s demand for pension security and wealth management. “Allianz Global Investors is committed to growth in China, we are dedicated to exploring suitable business opportunities and partnerships in this important market,” the company told the Global Times.

The Central Financial Work Conference held in Beijing in October made **pension finance one of the focuses in the development of China into a financial powerhouse.** The German financial firm’s investment in a newly established professional pension insurance firm in China sends a signal that foreign financial institutions and “patient capital” continue to increase their investment in China’s pension finance sector, and they are showing their confidence in China’s long-term growth potential, Liu Guohong, Director of the Department of Finance and Modern Industries at the China Development Institute in Shenzhen, told the Global Times.

Zhao Qingming, a Beijing-based veteran financial analyst, told the Global Times that China’s financial opening-up has made remarkable achievements in recent years, with a vast increase in the number of foreign-funded firms and foreign investment in China’s financial markets. HSBC recently said that it completed the acquisition of Citi’s retail wealth management business in the Chinese mainland, while a couple of foreign financial institutions – Fidelity Investment Group and Alliance Bernstein – moved to increase the registered capital of their Chinese subsidiaries. In recent years, the country has rolled out more than 50 measures to expand financial opening-up,

including scrapping foreign ownership caps in the banking and insurance sectors, and slashing access thresholds for foreign investors, according to NFRA. As of January, 24 foreign “Global Systemically Important Banks” had established institutions in China and nearly half of the world’s top 40 insurance companies had entered the Chinese market, data from the NFRA showed. China sincerely welcomes more foreign institutions and long-term capital to come to China to do business, Li Yunze, Director of the NFRA, said at the annual Lujiazui Forum held in Shanghai, as reported by the Global Times.

Hong Kong-Shenzhen R&D center to help fast-track medicine approval in mainland China

Medication already in use in Hong Kong may be approved in mainland China more quickly with the help of real world data collected by a research center to be established in collaboration with Shenzhen, Hong Kong’s Secretary for Health Lo Chung-mau told the South China Morning Post. The use of Hong Kong data showing the drugs’ effectiveness would speed up the approval process over the border, especially for medications for serious or rare diseases on the mainland. “This will be very influential,” Secretary Lo said, explaining the plan would benefit more patients. “Real world data are created when some drugs have been used preliminarily in clinical settings but are not registered yet. The companies can supplement data from clinical trials with the real world data and submit them to a regulatory authority.”

Secretary Lo said the research center would be established under the Greater Bay Area International Clinical Trial Institute located in a new innovation and technology cooperation zone at the border. The Institute would be ready by the third quarter of this year at the earliest, he said. Authorities earlier said the facility would act as a “one-stop clinical trial support platform for medical research institutions” and coordinate clinical trial resources in Hong Kong’s public and private healthcare sectors, including researchers, data banks and laboratories.

The government announced in its 2023 policy address **the goal to develop Hong Kong into a health and medical innovation hub.** Under the plan, authorities hoped to attract more pharmaceutical corporations to conduct research and development (R&D) and clinical trials in the city. Lo said the research center would mostly target Hong Kong-registered drugs that were approved for urgent clinical use at designated healthcare institutions in the Greater Bay Area under a policy introduced in collaboration with mainland authorities in 2021. He said only drugs for serious conditions and with few alternatives were accepted under the 2021 policy. “While mainland authorities have not given its full approval, the drugs are allowed to be used among a certain group of people. As we can prove its quality, safety and efficacy, in addition to the clinical trial data, the time required for approval can be shortened.”

Professor Ian Wong, former Dean of the University of Hong Kong’s Department of Pharmacology and Pharmacy, supported Lo’s plan, saying the center could help pharmaceutical corporations save on the time required to

conduct another clinical trial on the mainland. He said there was a gap in data involving the Chinese population as clinical trials for most drugs were conducted in Western countries. That gap could be filled by the center using real world data in Hong Kong, Wong added, as reported by the South China Morning Post.

Three of Alibaba's LLMs in the world's Top 10

Alibaba Group Holding's family of large language models (LLMs) – the technology underpinning generative artificial intelligence (AI) services like ChatGPT – **has been ranked among the world's top 10 open-source models.** Three of the four top 10-ranked Chinese LLMs were from the Tongyi Qianwen series, also known as Qwen, developed by e-commerce and cloud computing giant Alibaba, according to **AI and machine-learning developer platform Hugging Face.**

Hangzhou-based Alibaba's Qwen-72B-Instruct LLM topped the list with an average score of 43.02 across six benchmarks. This Qwen model was trained on 72 billion "parameters" – a machine-learning term for variables present in an AI system during training, which helps establish how data prompts yield the desired output. "Qwen 72B Instruct is the king and Chinese open models are dominating overall," Hugging Face Co-founder and Chief Executive Clement Delangue said in a post on X. That particular Qwen model was credited for "its performance in maths, long-range reasoning and knowledge".

Meanwhile, Alibaba's Qwen-72B and Qwen1.5-110B models made it to the third and tenth spots, respectively. The rankings are expected to change over time, as more LLMs get evaluated, according to Hugging Face. The recognition of Alibaba's LLMs shows the company's rapid progress in AI on the back of its strong commitment to open-source development. Tongyi Qianwen was opened to third-party developers over several months already.

The Yi-1.5-34B-Chat model from Beijing-based start-up 01.AI was ranked seventh. The firm was founded in 2023 by prominent venture capitalist Lee Kai-fu, who was formerly President at Google China. Open source gives public access to a program's source code, allowing third-party software developers to modify or share its design, fix broken links or improve its capabilities. Open-source technologies have been a huge contributor to China's flourishing tech industry over the past few decades. Facebook parent Meta Platforms' AI model took second spot behind Alibaba in Hugging Face's top 10 list. One LLM from Microsoft, a major backer of ChatGPT creator OpenAI, was ranked sixth.

The Hugging Face community said that more metrics were added to its methodology for ranking AI models, such as complex problems of around 1,000 words in length, at a time when AI "performances are plateauing". Since the Hugging Face ranking is focused on open-source programs, it excludes advanced proprietary LLMs like OpenAI's GPT. The LMSYS Chatbot Arena ranking by the University of California, Berkeley, and the Large Model Systems Organization was topped by GPT-4o, OpenAI's latest LLM introduced in May. Alibaba's Qwen2-72B-

Instruct was ranked 19th, the South China Morning Post reports.

Chinese companies showcasing AI applications at Mobile World Congress Shanghai 2024

The 2024 Mobile World Congress (MWC) Shanghai was held at the Shanghai New International Expo Center last week. One of the highlights of this year's MWC Shanghai was the **showcasing of cutting-edge AI applications by Chinese companies**, which drew in a large number of visitors eager to experience the future technology. China Unicom demonstrated the use of the Yuanjing Large Model in the design of game characters and clothing. The application allows users to select the type, style, color, and other preferences for the clothing they want to generate, providing new inspiration for clothing designers. Lenovo's booth showcased AI-powered personal computers, capable of creating presentations and images generated via a built-in large model.

Huawei Technologies announced at the Congress that it **will bring artificial intelligence to telecommunication networks** in order to elevate network productivity. AI, as a foundational technology for network automation, is set to accelerate the industry's transition toward higher-level network autonomy and play a key role in 5G-A business success," said Yang Chaobin, Board Member and President of information and communications technology products and solutions at Huawei. 5G-A refers to 5G advanced technology, a crucial upgrade to the 5G network in functionality and coverage. 5G-A features 10-gigabit peak down-link speeds. Huawei's exhibition hall featured AI applications on cellphones, making phone calls more engaging and convenient. At the exhibition, visitors could create their own AI digital avatar, which would appear on the screen during calls, mimicking their facial expressions and even translating speech in real-time for international conversations.

Other attractions at the event included **XREAL's AR glasses**, which appeared almost indistinguishable from regular eyewear. However, once immersed in the AR space, users were greeted with a large surrounding screen, allowing them to enjoy immersive experiences such as watching movies and playing games. In the field of AI, the U.S. focuses more on general large models, using text to generate images and videos. **China**, on the other hand, **focuses on integrating artificial intelligence into various industries**, Telecom Expert Xiang Ligang told the Global Times. MWC Shanghai has also attracted exhibitors from Germany, India, Singapore, Spain, Switzerland, the UK and the U.S. This year's MWC Shanghai also focused on the low-altitude economy, 5G-Advanced, and digital manufacturing.

China to recognize 19 new professions

China has announced plans to recognize 19 new professions related to the digital economy, smart manufacturing and modern services that contribute to the nation's overall economic development. The new

professions include biological engineer, live-streaming host and generative AI system operator, according to the Ministry of Human Resources and Social Security. Young people are particularly attracted to such jobs. “I don’t like wearing the same clothes as other people or doing traditional jobs as the previous generations did. Being a live-streaming anchor interests me, as I love sharing everything beautiful with my peers and bringing joy to them,” said Yan Zewen, 26, who has been doing the job for three years in Hangzhou, Zhejiang province. Yan said she felt she was an “underdog” when she took the position in 2021, as it wasn’t an attractive job to most university graduates. “I had some misunderstandings with my friends and parents, but I pulled through,” she said. “The job earns me a considerable salary, and I’m happy to hear the news that it will be getting official recognition from the government.”

Yan is among the new generation who have shown an increasing preference for new or niche professions, especially those closely related to the digital economy. A recent survey by the online recruitment portal Zhaopin shows that in the first quarter of this year, over a third of people polled have shown an interest in working as industrial robot system operators, while around 27% said they would like to become home organizers. “Many new professions have emerged with the development of new technologies as a result of the nation’s industry upgrades,” said Li Qiang, Vice President of Zhaopin. “New professions offer young people more job opportunities while also imposing new requirements on the knowledge and skills they need to do the work, pushing them to improve their abilities.”

Li said that the emergence of new professions reflects the market’s critical need for new technologies and industries, and the government can set standards for the professions by giving them official recognition. “Recognizing these professions can also eliminate discrimination of workers serving in new industries and protect their rights. Approving these new professions shows the nation’s increasing attention to artificial intelligence and intelligent connected vehicles, which can attract more talent to these industries,” he added. The Human Resources Ministry recognized 74 new professions from 2019 to 2022, covering agriculture, healthcare, information technology, education and elderly nursing, the China Daily reports.

The South China Morning Post adds that President Xi Jinping has called on Chinese researchers to step up innovation in six key areas of the hi-tech sector: integrated circuits, industrial machine tools, basic software, advanced materials, scientific research instruments, and seed sources. Xi said China had made remarkable scientific progress in areas ranging from space to deep sea exploration. But he said the capacity for “original innovation” was relatively weak, some core technologies were constrained by other countries, and there was a skills shortage. “We must have a greater sense of urgency,” he said. “We must step up innovation in order to occupy the commanding heights of the tech competition for future development.”

Chinese developers turn to domestic alternatives as OpenAI is to suspend services to them

Following San Francisco-based **OpenAI announcing plans to suspend services to Chinese developers**, AI developers are turning to domestic alternatives. Industry observers warned that the U.S. government engaging in strategic competition with China is escalating the “de-coupling” situation and hindering cooperation between companies in both countries. Starting from July 9, OpenAI will be taking additional measures to block API traffic from regions that are not on its supported countries and territories list. A total of 188 countries and regions currently have access to the API service, but the Chinese mainland and Hong Kong are to be excluded. Through the Application Programming Interface (API) third-party developers can integrate capabilities developed by OpenAI into their applications and build their own AI software.

The U.S. firm’s action came after the U.S. Department of the Treasury issued draft rules on June 22 for banning or requiring notification of certain investments in artificial intelligence (AI) and other technology sectors in China under the banner of safeguarding U.S. national security. The draft is believed to be part of the Biden Administration’s push to prevent the U.S. from assisting China to develop sophisticated cutting-edge technology and hamper China’s development.

Recently, the U.S. has continuously used the “national security threat” rhetoric to stoke fears over Chinese products, in a bid to hinder China’s industrial upgrading, reflecting the U.S. mindset of hegemony, Liu Wei, Director of the human-machine interaction and cognitive engineering laboratory with the Beijing University of Posts and Telecommunications, told the Global Times. Liu warned that when the U.S. is restricting China’s high-tech sector, it is hurting its own interests.

Following OpenAI restricting Chinese access to its products, some 10 domestic large model companies have announced they would offer alternatives. Alibaba Cloud has announced plans to provide OpenAI API users with a more cost-effective solution using Chinese large models. Chinese developers will be offered 22 million free tokens. Start-up Zhifu AI announced that it will offer developers 150 million tokens and training to help them switch from OpenAI to its ChatGLM language model.

Moonshot AI emphasized in a statement that its Kimi large language model (LLM) offers API services fully compatible with OpenAI. Industry observers generally believed the suspension of service from OpenAI will promote the market share of domestic large model companies in the short term, and their prices are more competitive compared with OpenAI. Zhou Hongyi, Founder and Chairman of 360 Security Technology, believes the suspension of services from OpenAI will speed up the development of China’s own LLMs. There are narrowing gaps between the two and the trend of using domestic products as a replacement will be more secure, Zhou said. China’s Commerce Ministry already hit back at the U.S.’ plans to curb new U.S. investment in critical Chinese tech industries, saying China firmly opposes the U.S.’ coercive move and reserves the right to take counter measures, the Global Times reports.

BYD starts selling its Seal EV in Japan

Electric vehicle firm BYD started selling the BYD Seal, its third EV model, at 55 authorized dealerships in Japan. With the aim of establishing a position for the BYD Seal as an e-sports sedan in the Japanese market, BYD Auto Japan, a subsidiary of BYD Japan specializing in passenger cars, hopes to enhance brand recognition and image with the BYD Seal as its flagship model. The rear-wheel-drive version of the BYD Seal, priced at USD33,135, offers a cruising range of 640 kilometers. Despite the high level of interest, most customers are waiting for the confirmation of subsidies before committing to a purchase, which will not be available until the end of July. So the company anticipated that official vehicle registrations for the model will likely begin around September. Last year, BYD launched the Atto 3 and Dolphin EV models in Japan, selling more than 2,500 units since the Shenzhen, Guangdong province-based EV maker opened its first Japanese dealership in Yokohama in February 2023.

“We now have three good car models in Japan to further develop our business. So we will seek to accomplish our target of establishing 100 showrooms all over Japan by the end of next year,” said Atsuki Tofukuji, President of BYD Auto Japan. Apart from adding dealerships, Tofukuji reiterated the plan to add at least one new model to the

company's line-up in Japan every year. By expanding the number of models, BYD is trying to attract more potential customers to its showrooms to take a look at its products. “We want to capture a broad audience by offering various EV options. Our goal is to familiarize more people with our EVs,” he said.

He noted that BYD has a grand mission to contribute to cooling the earth by 1°C to help mitigate climate change. The Japanese government has already declared its goal to achieve carbon neutrality by 2050. It also announced plans to ban sales of new gasoline-powered cars by 2035. Gradually, the current car market in Japan – the world's fourth largest market for passenger vehicles – will be shifted to more environmentally friendly products such as plug-in hybrid electric and battery electric vehicles. “The shift is a good opportunity for BYD to get into the Japanese market by utilizing leading EV and battery technologies to speed up carbon neutrality,” Tofukuji said. Additionally, many Japanese customers are very keen on quality. Such picky customers will push BYD to become more quality-conscious and to be competitive against big names in the auto industry which are very quality-oriented, he said. “BYD wishes to be at the same level as major players in the industry within a few years by selling cars in Japan and being trained by Japanese customers to make better products,” he said, as reported by the China Daily.

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