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China's growth against odds raises hopes

Experts expect much more on policy front to secure economy. **Ouyang Shijia** and **Zhou Lanxu** report

Confidence in China's economic growth remains strong among officials, economists and global business people, with the world's second-largest economy on track for a steady and gradual recovery.

They said they are optimistic about China's capability to achieve its preset annual growth target of about 5 percent this year as well as sustainable and high-quality development in the long run. China, they said, will be a key growth engine for the rest of the world.

"While we see some financial challenges globally, which will no doubt affect all economies, the reality is we still see positive growth for our business in China," said Bruce Cameron, chairman of Zespri, a cooperative of kiwi fruit growers in New Zealand.

"When I look at the future opportunities that we have, we remain confident that we can continue to grow as we seek to expand to more provinces and more cities and penetrate deeper into those markets," Cameron said on the sidelines of the 14th Annual Meeting of the New Champions, also known as the Summer Davos Forum, which concluded in Tianjin on June 29.

Given that "the Chinese economy will continue to be resilient", Zespri will continue to invest in China to further cater to local consumers' need for better products, Cameron said.

"We see China as a very long-term global market. We have no intentions of backtracking or leaving China. We are embedded here. We believe that our company and our presence here take us forward over the foreseeable future with strong growth."

China's economic growth is still very impressive compared with that of the rest of the world, he said, and can continue to have a strong bearing globally.

Joe Ngai, chairman of management consultancy McKinsey China, said China is gradually getting over the impact of the pandemic and the rebound will come at a more moderate pace than expected amid the current supply and demand imbalance.

The economy is likely to recover steadily in the second half of the year, with improvement in key fields like consumption and in-person services, Ngai said.

"I still believe the next China is China," he said. "After looking at the global context and where we are right now, there is no other place in the world that has the size (of China) and is still growing at the same rates we're seeing in China."

After years of rapid growth China will enter a new stage of moderate growth and high-quality development, continuously serving as a growth engine for the rest of the world, he said.

"The Chinese market has also been a major growth segment for global companies."

China's efforts to expand opening-up will bring new technologies and high-quality products as well as allow foreign investors to develop in the country's ultra-large domestic market, thus benefiting Chinese firms, consumers and foreign companies, he said.

Frank Bournois, vice-president and dean of China Europe International Business School, said: "There are good signs of recovery for the Chinese economy in many ways … I am very optimistic about … how China is performing. The resilience of the country and the ability of people inside companies to be agile will also be strong factors supporting the stability of the renminbi exchange rate."

China's GDP grew 6.3 percent year-on-year in the second quarter, compared with 4.5 percent in the first quarter, the National Bureau of Statistics said on July 17. In the first half of the year China's economy grew 5.5 percent year-on-year, it said.

First-half GDP growth rate was significantly higher than that of major developed economies, laying a solid foundation for achieving the full-year growth target and demonstrating the resilience of the economy, a bureau spokesman, Fu Linghui, said.

"Despite facing pressures and challenges, the economy will steadily recover with the improvement in employment, personal incomes, domestic demand as well as the optimization and adjustment of the nation's supply structure and new growth drivers. Thus, we have the confidence, conditions and capability to meet the annual economic and social development goals this year."

Workers assemble a car on an NEV production line inside an auto production base of SAIC Motor in Ningde, Fujian province, on June 18. ZHU XINGXIN / CHINA DAILY

Attendees of the 14th Annual Meeting of the New Champions, also known as the Summer Davos Forum, in Tianjin on June 27. SUN FANYUE / XINHUA

China's value-added industrial output rose 4.4 percent year-on-year last month after rising 3.5 percent in May, and the value of retail sales rose 3.1 percent year-on-year last month after rising 12.7 percent in May. Fixed-asset investment rose 3.8 percent in the first half of the year, compared with a 4 percent rise in the first five months.

Gong Liutang, a member of the 14th National Committee of the Chinese People's Political Consultative Conference, said the figures for the first half of the year indicate the economy is facing insufficient demand amid subdued price levels.

A range of policies may be needed to boost demand as supply-side structural reform continues, such as launching an infrastructure investment plan aimed at improving supply in education, healthcare, elderly care and rural vitalization to facilitate consumption upgrading and economic restructuring, Gong said.

Taking into account 5.5 percent first-half GDP growth and the many policy efforts that are in the offing to boost demand and improve supply, Gong said, China can achieve this year's economic growth target of about 5 percent.

Power players shifting focus to green projects

By ZHENG XIN

Chinese power companies are increasingly focusing on renewable energy projects such as solar and wind power globally, an industry report shows.

They have expanded their involvement in green energy projects worldwide in recent years, with the number of new energy projects invested by Chinese power companies rising 55.6 percent last year compared with 2021, covering regions such as Southeast Asia, Europe, Oceania and Latin America, the China Electricity Council said in the report.

Chinese power companies have been engaging in cross-border transmission line interconnections and electricity trading with neighbors including Laos, Mongolia, Myanmar, Russia and Vietnam. This has not only promoted the sharing and exchange of clean energy resources, but also supported the development and use of renewable energy on a regional scale, said Xu Guangbin, director of the international cooperation department of the council.

China, the global renewables leader in terms of solar capacity, exchanged a total of 9.1 billion kilowatt-hours of electricity with neighboring countries last year, 20.7 percent more than in 2021. Among them, the electricity bought amounted to 6.4 billion kWh, 18.5 percent more than in 2021, and 2.7 billion kWh of electricity was imported, 26.1 percent more than in 2021, Xu said.

He made the remarks in Beijing as he announced that the 24th conference of the Electricity Power Supply Industry will take place in Xiamen, Fujian province, in October.

Technicians from China check equipment at a wind farm in Zhanatas, Kazakhstan, in April. XINHUA

The conference is crucial for expanding the power industry's worldwide impact and carrying out the Belt and Road Initiative in light of the world's acceleration of decarbonization and the transition to green energy, he said.

An analyst said the BRI has played a significant role in driving the greening trend of Chinese power companies globally.

This trend reflects their commitment to sustainable energy practices, renewable resources and environmentally conscious investments, said Luo Zuoxian, head of intelligence and research at the Sinopec Economics and Development Research Institute in Beijing.

Chinese power companies, with comprehensive advantages in technology, capital, talent, management and equipment, are believed to be playing a greater role in injecting strong momentum into local economic and social sustainable development, he said.

Big Chinese power companies invested in and built 16 power projects in markets involved in the BRI, accounting for 66.7 percent of their total foreign power investment projects, the council said.

Actual investment in the projects, which cover 10 countries and regions including Cambodia, Indonesia, Pakistan, Uzbekistan and Vietnam, totaled $1.95 billion, accounting for 57.7 percent of the total foreign investment by major Chinese power companies last year, it said.

Major Chinese power companies signed 102 new overseas engineering contracts in markets involved in the BRI, accounting for 53.1 percent of the total number of new power contract projects. The total contract value of the projects, which cover 23 countries and regions in Asia, Africa and Europe, totaled $22 billion, 67.4 percent of the total value of new overseas engineering contracts signed last year.

Since China ceased new overseas coal-fired power projects in 2021, the country's power industry has made big changes, with major domestic power companies shifting their focus to green investments, the council said.

Renewable energy became the sector with the highest number of foreign investment projects last year, accounting for about 58 percent of the total. Among them were eight solar power projects, accounting for 33 percent of the total, with investment of $1.33 billion, and six wind power projects, or 25 percent of the total, with investment of $519 million.

In addition to solar and wind power, investment opportunities in energy storage, hydrogen energy, integrated energy and complementary multiple energy sources have significantly increased, the council said.

Second C919 aircraft joins China Eastern fleet

By WANG YING

The second C919, China's first self-developed narrow-body jet, has been delivered to its first customer, China Eastern Airlines, in Shanghai.

As more C919s are put into commercial operation, the aircraft should perform better and more safely, industry experts said.

The jet took off on a ferry flight from Shanghai Pudong International Airport at 10:06 am on July 16, and landed at Shanghai Hongqiao International Airport 14 minutes later.

"The delivery of a second C919 for commercial operation demonstrates that China's aviation industry has entered the stage of using more self-developed jets," said Zheng Hongfeng, founder and chief executive of VariFlight, an aviation data and solutions service provider.

"As more C919 jets are put into commercial use their safety will increase, and their manufacturer, the Commercial Aircraft Corp of China, will fall more in line with market demand."

The new aircraft, the second of five C919s to be delivered to China Eastern, has the same cabin layout as the first. Two days before the Pudong-Hongqiao flight the Civil Aviation Administration of China issued all the necessary certifications for commercial operation for the aircraft.

China Eastern said the aircraft would initially join the first C919 on flights between Shanghai Hongqiao International Airport and Chengdu Tianfu International Airport in Sichuan province and would later fly to more Chinese cities.

"The reason we are first flying the C919 between Shanghai and Chengdu is that it is an adequate flying distance, and the east-west flight will better allow the jet to adapt to environmental conditions, including temperature and humidity," the Chinese financial news outlet Yicai quoted Li Yangmin, general manager of China Eastern Airlines, as saying.

"The strength of China Eastern's security capabilities and heavy passenger traffic along this route also confirmed it was the right choice."

The first C919 has 164 seats, 156 in economy class and the rest in business class.

Following the C919's maiden flight in 2017, the first one for commercial use was delivered to China Eastern by COMAC, its manufacturer, on Dec 9 last year. After the first successful commercial flight between Shanghai Hongqiao International Airport and Beijing Capital International Airport on May 28, the jet has been put into operation on the Shanghai-Chengdu route.

"Since commercial operations began, many passengers have specifically booked flights on the C919 to enjoy the experience of flying on a large, Chinese-made passenger jet," Lin Zhijie, an aviation industry analyst, said.

The C919 is comparable to the Airbus A320 and Boeing B737, and offers a brand-new alternative on the market, which should help break the duopoly maintained by Boeing of the United States and Airbus of Europe and help promote competition and the healthy development of the global civil aviation market, said Lin, also a columnist for carnoc.com, one of China's biggest civil aviation websites.

The first C919 had completed 87 commercial flights by July 12, China Eastern said.

With average load factors of about 80 percent, the first C919 had carried 11,095 passengers and had flown a total of 250.1 hours.

The C919 takes off from Shanghai Pudong International Airport on July 16 as it was delivered to China Eastern Airlines. CHINA NEWS SERVICE