

Forex reserves expected to remain at stable level

By ZHOU LANXU

zhoulanxu@chinadaily.com.cn

China's foreign exchange reserves are expected to remain stable after increasing for the fourth straight month in January as the country's economic recovery gains traction, experts said on Tuesday.

The country's foreign exchange reserves rose to \$3.1845 trillion by the end of last month, up by \$56.8 billion or 1.82 percent from December and marking the fourth consecutive month of increase, the State Administration of Foreign Exchange said on Tuesday.

Attributing the growth to a weaker US dollar and a rise in global financial markets, SAFE said in a statement that the Chinese economy has recovered with growing endogenous momentum, conducive to keeping the scale of foreign exchange reserves stable.

\$3.1845 trillion

amount of China's forex reserves by the end of last month, said the State Administration of Foreign Exchange on Tuesday

Zhou Maohua, a macroeconomic analyst at China Everbright Bank, said a weaker greenback, due to expectations of a slowdown in US Federal Reserve interest rate hikes, has made foreign reserves denominated in other currencies more valued in dollar terms.

Zhou said the increase in foreign exchange reserves is also attributable to accelerated foreign inflows into renminbi-denominated assets as the country's economic recovery gains traction.

Northbound trading of stock connects between the mainland and Hong Kong bourses saw net

capital worth 141.29 billion yuan (\$20.81 billion) flow into A shares in January, marking the highest single-month net foreign inflow since the connect mechanism was launched in 2014, said market tracker Wind Info.

"The rise in foreign exchange reserves has demonstrated the resilience of China's economic development and the recovery in market confidence as the country optimized COVID containment," said Ye Yindan, a researcher at the Bank of China Research Institute.

As China's economic growth is likely to outpace many other major economies this year and underpins the country's balance of payments, Ye said she expects the country's foreign exchange reserves to remain stable despite the challenges of slower global growth and volatile international financial markets.

Zhou also said the country's foreign exchange reserves are expected to remain generally stable given the resilience of the country's foreign trade, the growing appeal of renminbi-denominated assets, a more flexible renminbi exchange rate, and a Fed rate hike cycle that is nearing its end.

The central parity rate of the renminbi against the greenback has strengthened by more than 2 percent since the beginning of the year to 6.7967 on Tuesday, according to the China Foreign Exchange Trade System.

SAFE data showed that China's gold reserves rose to 65.12 million ounces at the end of January, up from 64.64 million ounces in December.

Zhou said the increase in gold reserves might reflect the country's efforts to diversify official reserves as the US dollar weakens while geopolitical uncertainty remains elevated.



Workers conduct quality checks at the factory of an automobile manufacturer in Qingdao, Shandong province, in November. LIANG XIAOPENG / XINHUA

Quality growth tops agenda going forward

Authorities map blueprint to improve products, projects, services for decade

By OUYANG SHIJA

ouyangshija@chinadaily.com.cn

China has mapped out an outline for boosting its strength in product quality, with a view to fostering high-quality development and promoting the country's transformation from a major economy to a stronger one.

The document, which was jointly released by the Communist Party of China Central Committee and the State Council — the nation's Cabinet — and was made public on Monday, maps out a blueprint for improving the quality of products, projects and services, and specified both short- and long-term strategy implementations over the next decade.

"As China is entering a new stage of high-quality development, carrying out the strategy will help meet people's growing need for better lives, move Chinese industries up to the medium-high end of the global value chain, speed up industrial transformation and upgrading, and promote high-quality development of the manufacturing sector," said Zhou Maohua, an analyst at China Everbright Bank.

Hong Yong, an associate research fellow at the e-commerce research institute of the Chinese Academy of International Trade and Economic Cooperation, said the new document marks the country's latest key move to foster high-quality economic development, as it aims to gain a key competitive edge in the global market, accelerate the pace

consumer satisfaction.

Hong said the new document offers guidance and policy support for companies' future development, which will also help increase their profitability, boost high-quality development of industries, upgrade services and foster sustainable economic and social development going forward.

The nation's targets are that by 2025 the quality of products, projects and services should be significantly improved, and major achievements should be made in brand building in China, according to the document. By then, China's economic structure should be further optimized, the capability for pursuing innovation will be raised notably, major progress should be made in building a modern economic system and the competitiveness of industry quality should be continuously enhanced, it said.

By 2035, the foundation for building China's strength in product quality should become more solid, a culture that values high quality should be cultivated, and the comprehensive strength of China's product quality and brands will be further boosted, according to the document.

Hong highlighted key measures mapped out by the new document, such as guiding the well-regulated development of personalized mobility services, promoting the well-regulated and orderly development of new businesses like online shopping and encouraging integrated devel-

Yang Jinghao, chief economist at Concat Data Technology (Hangzhou) Co Ltd, said the new document aims to further reduce production costs on the supply side and tap growth potential on the demand side.

Yang said measures such as cultivating high-quality industrial clusters will improve overall quality on the supply side, and steps including upgrading services and improving the offering of consumer goods will help boost domestic demand.

According to the document, the country will make a big push to improve economic quality and efficiency, enhance the competitiveness of industrial quality as well as boost the quality of products and projects, including making breakthroughs in core technologies in low-carbon, zero-carbon and carbon-negative fields, improving product offerings, boosting new types of consumption and accelerating the technological upgrading and quality improvement of traditional manufacturing sectors.

Citing the report to the 20th National Congress of the Communist Party of China, Lou Feipeng, senior economist at Postal Savings Bank of China, said improving product quality is in line with the country's larger drive to fully improve international competitiveness and foster high-quality development.

According to the report, China must focus on the real economy in pursuing economic growth, and the country will advance new industrialization and move faster to boost its strength in product quality.

Looking ahead, Lou said more efforts should be made to raise the



People walk past the headquarters of the People's Bank of China, the country's central bank, in Beijing in March.

PROVIDED TO CHINA DAILY