

TOP NEWS

Confidence of intl investors gets big boost

Country's economic rebound buoys hopes amid gloomy global outlook

By LIU ZHIHUA, ZHOU LANXU and MA SI

China's accelerating economic recovery has added to foreign investors' confidence in the world's second-largest economy, international business leaders and economists said.

With the consumption and services sectors recording major recovery, the Chinese economy is expected to offer a glimmer of hope amid the gloomy world economic outlook, although it still faces pressure from insufficient external demand and challenges in sectors like property and private investment, they said.

On the heels of China's release of major economic data for the first quarter of this year, multiple international investment banks and financial institutions, including JPMorgan, Citi and UBS, have raised their forecasts for the country's GDP growth in 2023.

JPMorgan increased the outlook to 6.4 percent, compared with a previous forecast of 6 percent, while Citi upgraded its forecast to 6.1 percent from its previous 5.7 percent. UBS said it foresees the growth to be higher at 5.7 percent in 2023, compared with its previous forecast of 5.4 percent.

"China's GDP growth in the first three months came in notably above expectations. ... The strong growth report points to a strong post-epidemic recovery," said Zhu Haibin, chief China economist and head of Greater China Economic Research at JPMorgan.

China's GDP growth rebounded to 4.5 percent year-on-year in the first quarter, after reaching 2.9 percent in the last quarter of 2022, data from the National Bureau of Statistics showed on Tuesday.

According to Citi, the underlying momentum could be stronger than the number suggests, given that meaningful recovery perhaps only started after Spring Festival in February.

This year could be a window of opportunity for policymakers to address structural issues, such as weak private confidence, unemployment among young people and local government debt, it said.

Wang Tao, head of Asia economics and chief China economist at UBS, predicted that resumption of services activities in urban areas, especially those of small and medium-sized enterprises, should help support gradual employment and income growth over the course of 2023, as will the release of some excess savings.

In addition, as the economy continues to recover, the effect of eased property policies and lower mortgage rates will continue to come through, supporting further recovery of property activities, she said.

On the back of China's economic

recovery, international business leaders have expressed their growing confidence in the Chinese economy.

HSBC Group Chairman Mark Tucker said he believes that China's economy has become even more resilient since the optimization of COVID-19 response measures.

Tucker said he is very bullish on the prospects of the Chinese economy as well as the business opportunities that China is providing to enterprises.

The Chinese economy has been recovering at a fast pace since the beginning of the year, with inflation well under control, he said in Beijing earlier this week at the China Annual Investor Wealth Summit, which was jointly held by HSBC and business and financial news provider CLS.

China will likely account for around one-third of world economic growth this year if the country meets its growth target of 5 percent, which is lower than forecasts of many international institutions, he said.

Michael Blake, CEO of the Asian arm of Union Bancaire Privee, a family-owned private bank and specialist asset manager based in Geneva, Switzerland, said he expects China to provide tremendous opportunities for domestic as well as international investors in many areas, including the automation of manufacturing, artificial intelligence and the next generation of healthcare.

Frank Meng, chairman of Qualcomm China, said the company has always been optimistic about the long-term development of the Chinese economy and will continue to increase investment and expand cooperation in China.

"The number of Qualcomm's employees in China has grown by double digits almost every year since 2018," Meng said, adding that Qualcomm has established joint innovation centers with different partners in various cities, and these are all important parts of Qualcomm's continuous development in China.

Zhang Dawei, vice-chairman and secretary-general of the China Center for International Economic Exchanges, suggested that the government take more steps to enhance expectations of private entrepreneurs and better support the development of the private sector.

With that, the rebound momentum of consumption will be well conveyed to the manufacturing industry, especially that in the private sector, he said.

Liu Mengyang, a senior analyst of corporates at Fitch Bohua, a subsidiary of Fitch Ratings, said that she expects infrastructure to remain important to stabilizing growth in China, with railway investment probably speeding up to provide stronger support to the overall economic rebound this year.

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Cultural touch



Students practice Chinese calligraphy at the University of Nairobi's Confucius Institute in Kenya on Tuesday. The event was part of the university's activities to mark the United Nations Chinese Language Day, which falls on Thursday. HAN XU / XINHUA

China-Russia mutual trust improving

By JIANG CHENGLONG
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The fruitful visit to Russia of State Councilor and Defense Minister Li Shangfu has "deeply demonstrated the deepened mutual trust and independent military cooperation between the two countries", a spokesman said on Wednesday.

Li made the visit from Sunday to Wednesday at the invitation of Russian Defense Minister Sergei Shoigu. He met with Russian President Vladimir Putin and held talks with Shoigu during the visit, his first overseas trip after taking office in March.

"Through sincere and friendly meetings and talks with Russian state and military leaders, the two countries have reached a lot of consensus," Senior Colonel Tan Kefei, a spokesman for the Ministry of National Defense, said in a news release.

Emphasizing the significance of President Xi Jinping's Russia visit last month, Tan said that the defense minister's visit deeply embodies the strategic guidance of head-of-state diplomacy, the deepening of bilateral mutual trust and

the independence of China-Russia military cooperation. The visit also demonstrated the aspirations and responsibilities of the Chinese military to pursue peace and reach out to the world in the new era.

"The two defense ministers had candid, in-depth and productive exchanges, and outlined the blueprint of exchanges and cooperation between the two militaries in a coming period," he said.

"They agreed to fully implement the important consensus reached by the two heads of state, keep close high-level communication, improve the China-Russia military exchange mechanism, expand cooperation among theater commands, services and academies, and enrich the concept of the China-Russia comprehensive strategic partnership of coordination for a new era," said Tan.

The two sides also had an in-depth exchange of views on the international and regional security situation, the spokesman said, adding that both sides reaffirmed their mutual support on issues concerning each other's core interests, and reiterated their joint resistance to attempts by external forces to interfere in each other's internal affairs.

The Russian side said it opposes "Taiwan independence" in any form and firmly supports China in safeguarding its sovereignty and territorial integrity, he noted.

The implementation of the Global Security Initiatives was another focus during Li's visit, Tan said, stressing that China is ready to further consolidate and strengthen strategic coordination with Russia, practice true multilateralism, oppose unilateralism and hegemonism, and firmly safeguard international fairness and justice.

The Chinese military would strengthen exchanges and communication with the militaries of other countries, deepen practical cooperation in various fields, firmly fulfill its international responsibilities and obligations, and jointly respond to common security challenges, he added.

"The Chinese military will make new and greater contributions to safeguarding the country's interests related to sovereignty, security and development, maintaining world peace and stability, and helping with the building of a community with a shared future for mankind," said Tan.

World does not need 'G1', ministry says

By MO JINGXI
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The world does not need a "Group of One" dictating to the rest of it, Foreign Ministry spokesman Wang Wenbin warned on Wednesday in denouncing a G7 statement that grossly interfered with China's internal affairs.

Speaking at a regular news conference in Beijing, Wang added that it is dangerous to seek the so-called "solidarity" of a few at the cost of a divided world.

On the same day, Liu Jinsong, director of the ministry's Department of Asian Affairs, met with Koizumi Tsutomu, chief minister of the Japanese embassy in China, to make stern representations with the Japanese side.

Liu expressed serious concerns and strong dissatisfaction over negative

moves concerning China during the G7 foreign ministers' meeting, which concluded on Tuesday in Japan.

Wang said, "If the G7 is really opposed to hegemonism and coercion, then it should reflect on itself and make sure that invasions similar to those in Afghanistan, Iraq and Syria will never happen again."

The bloc should also reject long-arm jurisdiction and unilateral sanctions and say no to any policy that puts a certain country first at the expense of others, he said. Wang noted that the world today does not need a "G1" that lets a certain country give all the orders nor does it need a so-called "alliance of shared values."

"There is only one order and one system in the world. That is, the international order based on international law and the international system with the purposes and principles of the United Nations Charter at its core," Wang said.

Wang said that in today's world, it

is more important that countries respect each other despite their differences in ideology, values and development level, and they should cooperate to build a global community with a shared future for mankind.

The spokesman also noted that the real status quo of the Taiwan question is that both sides of the Taiwan Strait belong to one and the same China. "Taiwan is part of China and China's sovereignty and territorial integrity has never been split," he said.

Wang said that some countries claim that they follow the one-China policy, but in the meantime refer to the Chinese side's efforts to oppose "Taiwan independence" separatist activities as changing the status quo.

"Such an act encourages the provocations of 'Taiwan independence' separatists and hinders China's reunification and creates a peaceful secession, which completely deviates from the one-China principle," he said.

Fire: Teams monitoring conditions of injured

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The district has set up special teams to guide the hospital in contacting family members of the victims and other patients, offer psychological counseling and judicial help, and guarantee accommodations for them in Beijing, Li said.

The deputy head of the Beijing Health Commission, Li Ang, said about 300 medical workers and 29 ambulances were rushed to the scene after the fire started on Tuesday afternoon. A total of 71 patients were evacuated and transferred for treatment to other medical institutions, where 29 were declared dead as of 9 am on Wednesday, he said.

"A total of 39 patients are still receiving treatment at nine medical institutions in Beijing, and another three have been discharged," Li Ang said, adding that the commission will closely monitor their medical conditions and allocate resources as needed.

The National Health Commission, according to its official notice, has also dispatched an expert group to closely monitor the condition of the injured and the progress of their treatment. It will strengthen guidance and support for the Beijing commission and coordinate the arrangement of drugs and equipment for effective treatment, the notice said.

The cause of the blaze is under investigation, but fire department officials said they believe it originated from welding sparks during renovation work being done in the hospital's east wing.

The chief of the private hospital and two employees of the construction company that was involved in renovation work are among the 12 people detained, according to Sun Haitao, an officer of the criminal investigation team of the city's police bureau.

Beijing Changfeng Hospital was established in 2009. The Chinese Non-government Medical Institutions Association announced on Wednesday that it has canceled the hospital's membership due to the fire.

Yin Li, secretary of the Communist Party of China Beijing Municipal Committee, said the local authorities will carry out a thorough citywide investigation to eliminate potential fire risks.

"The fire tragedy is sad and unfortunate, and it reminds us that we cannot afford to be complacent when it comes to eliminating fire risks," Yin said.

Beijing will carry out safety investigation in high-risk areas, including hospitals and nursing homes, and efforts will also be made to rule out fire risks in the use of natural gas and at construction sites, the official said.

Meanwhile, the Ministry of Emergency Management has directed all regions to promptly carry out fire safety inspections, giving top priority to hospitals, schools and high-rise buildings.

Wang Songsong contributed to this story.

Hello, friend



Children interact with a robot during a science fair at a kindergarten in Qingdao, Shandong province, on Wednesday. The fair, which was themed on space technology, aimed to spark children's interest in learning about science. WANG HAIBIN / FOR CHINA DAILY

Autos: NEV sales in rural areas to be further promoted

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Yang Jinghao, chief economist at Concat Data Technology (Hangzhou) Co, said car consumption contributed to over 3 percentage points of retail sales growth in March, playing a key role in driving the overall consumption recovery.

He spoke highly of the NDRC's move to spur car consumption, particularly the promotion of NEVs in rural areas, saying the move will boost rural consumption and stimulate demand for facilities such as charging stations. "That will provide support for China's economic growth."

NBS data showed that China's auto retail sales rose 11.5 percent year-on-year in March, up from a

9.4 percent decline in the January-February period.

Ye Yindan, a researcher at the Bank of China Research Institute, said the rebound in auto sales was mostly due to discount promotions by car dealers.

Citing the NDRC's measures to boost auto consumption, Ye said those will further promote the improvement of infrastructure for new energy vehicles, create favorable conditions for the promotion of NEVs in rural areas and create new growth drivers for boosting auto consumption.

Given the strong macroeconomic policy support, the anticipated improvement in employment and spending on big-ticket items, the

stable supply of in-person services and the low comparison base in the previous year, Ye estimated that China's consumption will continue to rebound in the second quarter with a rise of around 13 percent, becoming a key driving force in boosting economic recovery.

"The government should continue to support key sectors and enterprises that provide huge amounts of employment opportunities, such as the services sector, micro and small businesses and self-employed businesses," she added.

"More efforts are also needed to increase the support for low-income groups, expand the size of middle-income groups, and offer government subsidies for the consumption of big-

ticket items such as cars, furniture and home appliances. ... It is also advisable for the government to issue consumption coupons to promote the growth in services consumption like catering, accommodation, tourism and cultural entertainment," Ye said.

Guo Liyan, director of the Comprehensive Situation Research Office of the NDRC's Academy of Macroeconomic Research, said the key to consolidating the consumption recovery trend is boosting people's spending power.

More efforts should be made to improve the offerings of products and services, accelerate the construction of regional consumption centers and optimize the consumption environment, Guo said.