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Xi envisions cooperation on big data

President's message calls for tackling legal, security, governance challenges

By **MA SI, LU HAOTING** and **YANG JUN** in Guiyang

President Xi Jinping called on Sunday for strengthened cooperation among countries to explore opportunities of digital, internet-based intelligent development and to properly address legal, security and governance challenges arising from big data industry development.

He made the remarks in a congratulatory letter to the China International Big Data Industry Expo 2019, which kicked off in Guiyang, Guizhou province.

The new generation of information technology, represented by the internet, big data and artificial intelligence, is booming at present and has significant and profound influence on various countries' economic development, social progress and people's lives, Xi said in the letter.

China attaches great importance to the development of the big data industry and is willing to share opportunities of the digital economy's development with other countries and jointly explore new growth drivers and development paths by exploring new technologies, new business forms and new models, Xi added.

With increasingly wider applications of digital technologies in China, the country is expected to generate and store 27.8 percent of global online data by 2025, up from 23.4 percent last year, according to a report by market researcher International Data Corp and data storage firm Seagate.

In comparison, the US share will stand at 17.5 percent by 2025, a drop from its 21 percent share in 2018, the report added.

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Mini robots attract visitors at the China International Big Data Industry Expo 2019, which began in Guiyang, Guizhou province, on Sunday. **QIU LINGFENG / FOR CHINA DAILY**

Greater market access to offset trade impact

By **WANG YU, CHEN JIA** and **ZHOU LANXU**

Greater access to China's financial sector will encourage global investors and dispel the gloom clouding the global economy amid Beijing's trade tensions with Washington, according to senior officials and economists.

Chinese financial regulators are preparing a comprehensive opening-up, with more new measures in the pipeline. Foreign institutions with advanced performance in risk management, credit rating, consumer finance, endowments and health insurance are especially welcome, senior officials stressed over the weekend.

The opening measures will offset part of the negative impacts of trade friction on economic recovery, and enable China to reach its GDP growth target of above 6 percent this year, they said.

Under the trade pressure, the world's second-largest economy is accelerating restructuring reform and shifting from an export-dominated growth model to a more services-driven model, they added.

"The United States escalated trade tensions, but it cannot solve

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any problem. This causes volatility and sluggishness in global financial markets and hurts the global economy," said Guo Shuqing, the People's Bank of China's Party secretary and also head of the China Banking and Insurance Regulatory Commission. His keynote speech was delivered by a commission spokesman at a forum on Saturday.

Impact on the Chinese economy will be very limited, said Guo. "Chinese financial markets, although they were excessively affected by trade tensions last year, are unlikely to be hit more dramatically going forward, as financial resilience is strengthening."

The huge domestic consumer market in China will digest most of the unsalable exports, and many of China's exports will also shift to other foreign markets. The US will continue to purchase China-made goods if there are no substitutes, but US consumers will need to pay more, Guo said.

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Contributors to peace



Chinese military officers Zhang Qiman (second from right) and Duanmu Donglin are awarded United Nations Peacekeeping Medals during a ceremony at UN headquarters in New York on Friday marking the International Day of United Nations Peacekeepers, which falls on Wednesday. **LI MUZI / XINHUA**

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Trump's Japan visit to honor alliance

By **CAI HONG**

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The state visit of United States President Donald Trump to Japan began on Sunday morning with a round of golf with Japanese Prime Minister Shinzo Abe, followed by the Summer Grand Sumo Tournament where the US leader presented the President's Cup to the winner.

The centerpiece of the trip will be Trump's time on Monday with newly installed Japanese Emperor Naruhito, who has heralded the start of the new reign. The royal couple will host, as is traditional for state visits, a formal dinner banquet for Trump on Monday.

Trump is the first foreign leader to make a state visit to Japan since the May 1 enthronement of Naruhito.

This is widely believed to underscore the importance of the Japan-US relationship, experts said.

In Tokyo Business Today, Daniel Sneider, a lecturer on international policy at Stanford University, called Trump's visit "almost completely free of serious policy discussion, but laden with policy purpose".

The schedule for the visit is a carefully orchestrated series of message moments, Sneider said. "And the first and most important purpose is to showcase the personal relationship between the two men, one cultivated by Abe and the



The first and most important purpose is to showcase the personal relationship between the two men."

Daniel Sneider, lecturer on international policy at Stanford University

Japanese government to an extent that dwarfs similar efforts by other governments around the globe," he said.

Abe has met and spoken by phone with Trump more than 40 times and has been twice invited to the president's Mar-a-Lago estate in Florida. And this is Trump's second visit to Japan since occupying the White House.

Sneider said the symbolic significance of Trump's encounter with Japan's new emperor cannot be underestimated, adding that the Japanese government's central goal in organizing this trip was to make sure that the US president was the first foreign leader to see the new emperor.

In a blog, Sheila A. Smith, senior fellow for Japan studies at the Council on Foreign Relations, wrote that the pomp and circumstance planned for this visit by

Trump to Japan reveals just how important the leader-to-leader approach has been to Abe.

The ceremonial and symbolic nature of his visit aside, Trump will be taken to Japan's Maritime Self-Defense Force base in Yokosuka, Kanagawa prefecture, on Monday to board the Japanese helicopter carrier *Kaga*.

Trump will be the first US president in modern history to set foot on a Japanese warship.

The Japanese government, and Abe personally, want this visit to showcase the close security ties between the two allies.

Though analysts believed that trade will not be the focus of the visit, Trump brought up trade with leaders from some of Japan's leading companies, including Toyota, Honda and Nissan, on Saturday evening.

"Japan has had a substantial edge for many, many years, but that's OK, maybe that's why you like us so much," Reuters quoted him as saying.

The US and Japan are negotiating a trade deal.

"With this deal we hope to address the trade imbalance, remove the barriers to US exports and ensure fairness and reciprocity in our relationship," Trump said.

Trump decided to delay new auto tariffs as his administration negotiates bilateral trade agreements with Japan and Europe — but only for six months.

Rare albino panda seen in Wolong snapshot

By **HUANG ZHILING** in Chengdu
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An albino panda has been spotted in the Wolong National Nature Reserve in Wenchuan county, Sichuan province.

The reserve's administrative bureau issued a photo of the all-white panda on Saturday, showing it passing through a lush forest.

The photo, believed to be the world's first image of an albino panda, taken in the wild, and clearly shows the all-white body and paws of the panda captured by an infrared camera around 2,000 meters above sea level in the reserve.

The only part of the panda's body that is not white are its eyes, which are red, the bureau said.

Analyzing the photo of the panda taken in mid-April, experts from the China Conservation and Research Center for the Giant Panda agreed that the panda is an albino. The gender of the animal has yet to be determined.

Judging from its size, they estimate, it is a juvenile between 1 to 2 years of age.

"A panda becomes an adult at the age of 4. One year for a panda is the equivalent of about 3.5 years for a human," said Wang Lun, an official at the center.



A rare all-white albino panda is photographed in the Wolong National Nature Reserve in Wenchuan county, Sichuan province, on April 20. **XINHUA**

Albinism exists in various vertebrates, but it is rare. It is usually caused by genetic mutations in which melanin cannot be synthesized normally, with skin and body hair expressed as white, yellowish-white or light-yellow.

Simple "albinism" mutations do not affect the normal body structure and physiological functions of animals, and have no significant impact on their activities and reproduction except that they are more easily spotted in the wild and their body is more sensitive to direct sunlight, said Li Sheng, a researcher with the School of Life Sciences at Peking University.

Li, a bear specialist at the International Union for Conservation of Nature, has studied the image of the all-white panda.

The panda is the first all-white individual photographed, suggesting that there is an albinism mutation gene in the regional panda population in the reserve, according to the specialist.

The panda looks strong, and its steps are steady, a sign that the genetic mutation does not affect its daily life, he said.

Albino mutations can be inherited. Each animal has two sets of genes from its parents.

Only when the genes from both parents contain the same mutation do offspring show characteristics of albinism.

Duan Zhaogang, Party secretary of Wolong's administrative bureau, said that the reserve will install more infrared cameras in the region where the all-white panda is spotted.

If its offspring can be photographed, it will be valuable for further research, he said.

SHANGHAI PROVES ITSELF A CONSUMMATE HOST

The city has come a long way since 1949

By **XING YI** in Shanghai
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Lin Xiaoying first fell in love with Kenya in the 1980s when the movie *Out of Africa* left her with a deep impression of the East African nation.

However, the first personal connection between Lin and the country came decades later when she accompanied the then deputy prime minister of Kenya, Uhuru Kenyatta, to the opening of the Shanghai Expo in 2010.

Lin, a researcher at the Shanghai Institutes for International Studies, had another Kenyan encounter at the China International Import Expo in Shanghai last year, the



world's first import-themed national-level expo. During the event, which attracted more than 3,600 exhibitors from 172 countries and regions, the city received 168 groups at the deputy ministerial level in a week.

To cater to thousands of foreign guests, Shanghai recruited specialists and more than 5,000 volunteers from higher education institutes. Lin worked as a communications officer responsible for coordination with the Kenyan delegation.

"It was a challenge in view of the number of events being held within a very short period of time," she said.

But the city made the expo a success by calling on its decades of experience in hosting major international events and receiving important foreign guests, Lin added.

With a variety of events being held to commemorate the city's liberation, when the People's Liberation Army entered the city on May 27, 1949, many people have been recalling Shanghai's contribution to China's internationalization.

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TOP NEWS

Li: Tax, fee cuts help stimulate vitality

Premier calls for full implementation of measures to consolidate growth

By XU WEI
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Premier Li Keqiang called for full implementation of tax cuts and fee reductions to better stimulate market vitality and consolidate economic growth during an inspection trip in Shandong province on Friday and Saturday.

The tax and fee cuts are crucial measures to coping with complicating circumstances and to withstanding new downward pressure on the economy, the premier said while visiting Weichai Group, a manufacturer in Weifang, on Friday.

Over a longer period, such measures can also bolster growth potential and broaden the tax base, so it is important to ensure the lasting impact of the tax and fee reductions, he said.

In March, China rolled out a series of measures to reduce businesses' tax burdens and social insurance contributions by nearly 2 trillion yuan (\$290 billion), with manufacturing sector companies being the largest beneficiaries.

Li encouraged businesses like Weichai to step up international cooperation in innovation to ensure unremitting growth in China's manufacturing sector.

At Goertek Inc, an acoustic components maker, Li learned that the tax cuts had already reduced its

corporate burdens by 100 million yuan.

The premier voiced appreciation for Goertek's efforts to prioritize research and innovation and to explore the domestic and international markets.

There is huge potential in the Chinese market, he said, and it is important to win over consumers and the market with innovations in science and technology and through extensive cooperation.

Li pledged better policies to encourage businesses to increase research and development and to improve the level of innovation across the board in China.

Li also presided over a symposium on the tax and fee reductions in Jinan on Friday, the second meeting of its kind within two weeks.

The Chinese economy, despite its good start in the first quarter, has not yet consolidated its stable momentum as it faces increasing unstable factors and challenges from abroad, Li said at the symposium.

Although the tax and fee reductions will temporarily decrease fiscal revenues, they will bolster businesses' confidence to increase investment for further growth, thus creating jobs and shoring up economic growth, he said.

It is important to ensure that all sectors see their tax burdens low-



Premier Li Keqiang asks locals about fruit prices at a grocery store during an inspection tour in Weifang and Jinan, Shandong province, on Saturday. LIU WEIBING / XINHUA

ered and that the prices of materials used in agriculture remain stable, he said.

Li also called for local authorities to fully implement the tax and fee reductions and to maintain balance between fiscal revenues and expenditures.

He cautioned that they should not bend rules in ways that increase burdens on businesses to alleviate the pressure on government finance.

The Chinese economy is highly resilient, and the government has adequate room to maneuver in its

macro-regulation policies, he added.

China will introduce further relaxed terms and refined procedures for deductions of the VAT in the manufacturing sector and come up with support policies for R&D and innovation in businesses, he said.

NPC chief's Hungarian visit boosts mutual ties

BUDAPEST — With this year marking the 70th anniversary of Sino-Hungarian diplomatic ties, the recent visit to Hungary by China's top legislator Li Zhanhu has injected impetus into the traditional friendship between the two countries.

Meeting with Hungarian President Janos Ader on Wednesday, Li, chairman of the Standing Committee of the National People's Congress, conveyed President Xi Jinping's greetings.

Li said that after China and Hungary lifted bilateral ties to a comprehensive strategic partnership in 2017, their relationship entered a new stage featuring a "speeding-up" of development.

During the meeting, Li and Ader spoke in-depth about environmental and resource protection. Li said that protecting the environment and coping with climate change requires countries to work together.

Ader said that both Hungary and China attach great importance to environmental and resource protection, and they can deepen cooperation in such areas as water pollution prevention and management, water resources development and utilization.

When meeting with Hungarian Prime Minister Viktor Orban on Thursday, Li said relations between the two countries have maintained a smooth and healthy development.

Hungary was the first European country to sign an intergovernmental cooperation agreement with China over the Belt and Road Initiative.

Li called on the two sides to strengthen synergy of development strategies, deepen the cooperation in economy, trade, investment, science and technology, agriculture and interconnection.

In the meeting with Orban, Li pointed out that maintaining multilateralism and free trade is the consensus of most countries in the world.

"China does not deliberately pursue a trade surplus and is willing to resolve trade differences between countries through negotiation on the basis of mutual respect, equality and mutual benefit," Li said.

"Despite the impact of some external factors, the Chinese economy has still maintained a healthy and stable development, and we are full of confidence in the Chinese economy," Li said.

Orban said Hungary firmly supports and actively participates in the Belt and Road Initiative and is willing to work with China to jointly safeguard the free trade system and promote economic development in Eurasia.

During the talks with Hungarian Parliament Speaker Laszlo Kover on Wednesday, Li said that the NPC will maintain friendly relations with the Hungarian Parliament and draw on experience in legislation and supervision to forge ahead with mutual understanding and trust.

Kover said he expected the NPC and Hungarian Parliament to conduct close exchanges, continuously enrich the contents of their cooperation and better facilitate the countries' development.

During Li's three-day visit to Hungary, he also visited a Hungarian-Chinese bilingual school, the European logistics center of information and communications technology giant Huawei, and a China-Europe logistics cooperation park for trade and business.

Hungary was the last stop of Li's 10-day European tour, which included visits to Norway and Austria. He returned to Beijing on Friday.

XINHUA

Tariffs pose threat to global industrial chains, official says

By OUYANG SHIJIA,
WANG JIANFEN
and WANG SHUQING

The tariff increases that the United States has placed on Chinese goods affect not only the interests of Chinese companies and consumers, but also their US counterparts and threaten the security of global industrial and supply chains, according to a senior Chinese industrial official.

"We once again urge the US to stop unreasonably suppressing Chinese companies. Chinese companies deserve to invest and operate in a fair and just environment in the US and the world," Vice-Minister of Industry and Information Technology Wang Zhijun said.

Concerning the US decision to further increase tariffs on Chinese imports, Wang said during a recent interview with news media that the total impact is "controllable".

The nearly \$200 billion of Chinese goods hit by additional US tariffs on May 10 accounted for 41.8 percent of China's US exports in 2018, or 8 percent of its total exports.

Fifty percent of the enterprises affected by those additional tariffs are foreign funded. Many of them are US companies whose primary market is in the US, Wang said.

The recent US moves "abruptly interfere with" the normal order of the global integrated circuit industry and undermine its stable development, he said.

China's chip industry has grown on average 20 percent annually since 2012, with sales revenue reaching 653.2 billion yuan (\$94.7 billion) in 2018, Wang said.

He conceded that there is a significant gap between China and global leaders in the overall design, manufacturing, testing of the relevant equipment and raw material

processing for integrated circuits.

The tariff hikes will bring troubles in China's overseas manufacturing market, but they will not lead to a decline in China's manufacturing sector, Mei Xinyu, a researcher at the Chinese Academy of International Trade and Economic Cooperation, said on Sunday.

"The US no longer accounts for such a significant market share as it did in the old days," Mei said. "And the major market share is taken by the domestic market, Europe, Japan and other emerging overseas markets. The US move will gradually later affect its own market."

Mei said the US ban on Chinese tech titan Huawei and rumored imposition of restrictions on Chinese surveillance giant Hikvision will not hamper the growth of China's tech sector.

The US accounts for only a small part of Hikvision's overseas mar-

kets, and Hikvision is not heavily reliant on US components for production, Mei said.

"Huawei's chip arm HiSilicon has produced 70 percent of global surveillance chips. In past years, Japanese companies were Hikvision's main chip suppliers, and now the major supplier is HiSilicon," Mei added.

Mei said that although the ban will have certain impacts on Huawei, the Chinese telecom company has already prepared options to deal with the problem.

A recent report by Dongxing Securities said the US ban on Huawei will foster demand for manufacturing independent and controllable semiconductor components in China.

"We see remarkable room for growth in the next-generation 5G and consumer electronics products in the future," the report said. "As the US has imposed restrictions on

Huawei's purchases of US technology, some major domestic chipmakers will step in to offer the supply. As their market share grows in the future, they will gradually be able to gain core capabilities and increase their presence globally amid the fierce competition."

Dongxing Securities analysts noted in the report that the ban will set off alarm bells in China, and the Chinese government and domestic companies will accelerate the push for developing core industries, including in chips manufacturing.

"As the division of the telecom industrial chain has become globalized, the US ban will also affect US chipmakers' income," the report said. "Huawei lists 33 US companies among core suppliers, accounting for 36 percent of its total key suppliers."

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Snowed under



Students preparing for gaokao, or national college entrance exam, in June let off some steam in an activity organized by their school in Handan, Hebei province. HAO QUNYING / FOR CHINA DAILY

Data: IT to better bolster real economy

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United Nations Secretary-General Antonio Guterres said that from medicine to transportation to farming, big data presents the world with a remarkable tool to advance global progress, but with that opportunity also comes risk.

"We must work together to ensure that big data, and the technologies that it enables, are harnessed for the benefit of mankind while minimizing the risks to development, peace and security and human rights," Guterres said in a congratulatory letter to the expo.

Miao Wei, minister of industry and information technology, said China has already made significant progress in bolstering the big data industry with a string of big data platforms established in sectors such as manufacturing, commerce, finance, transportation and medical care.

"We will make a fresh push to integrate cutting-edge information technologies into the real economy, including establishing a national industrial data center, to better power the country's sprawling manufacturing sector," Miao said at the opening ceremony of the big data expo.

According to the ministry, China's digital economy reached a total volume of over 31 trillion yuan (\$4.5 trillion), or 34.8 percent of its GDP, in 2018.

Yang Xiaowei, deputy head of the Cyberspace Administration of China, also called for more efforts to develop the homegrown big data sector and highlighted that stepping up research and development is key to mastering core technologies.

Paul Romer, co-recipient of the 2018 Nobel Prize in economics and professor of economics at New York University, said he is impressed by China's proposal in cyber sovereign-

ty which he understands as: Each nation must be able to write and enforce its own laws that regulate cyberspace, and ensure that cyberspace works to the benefit of everyone in the nation.

"China's articulation and implementation of cyber sovereignty means it is a chance for the world to see a different kind of organization for cyberspace, and a chance to see that with the right structure, we can get tons of benefits," Romer added.

Lu Yong, vice-president of Huawei Technologies Co, said China's digital economy has thrived on the basis that China has built the world's largest 4G network.

"5G is not just a faster 4G. It will fundamentally reshape how enterprises run businesses and overhaul a wide range of industries by using data to create more value," Lu said.

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Trade: Services sector helps cushion blow

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Research released by the International Monetary Fund on Friday showed that some of these tariffs have been passed on to US consumers, while others have been absorbed by importers leading to lower profit margins.

US restrictions on high-tech exports to China will push up Washington's trade deficit with China, and rising prices could also reverse

the low inflation in the US. Meanwhile, any speculative trading on the Chinese currency amid its depreciation pressure will "inevitably suffer from a huge loss", Guo said in his speech.

To eliminate bad outcomes from trade tensions, further opening-up in China's services sector, together with high-tech development supported by artificial intelligence, will help lift Chinese economic growth from 6.3 percent to around

7 percent by 2035, said Zhu Min, a former deputy managing director at the IMF.

"Market-oriented reform and opening-up will improve productivity in the service sector, which is an important thing that China is focusing on to stabilize economic growth," Zhu said.

Chen Yulu, a vice-governor of the PBOC, also supported a "full-scale" opening of the financial sector. In the future, foreign investors are

welcome to conduct all forms of financial business in China, excepting those being named on a negative list, and authorities are researching a new regulatory system, Chen said at the forum on Saturday.

Li Daokui, director of the Academic Center for Chinese Economic Practice and Thinking at Tsinghua University, said China "should be more confident" in accelerating opening-up of its financial sector, which will help global investors seize numerous opportunities in the Chinese market.

Domestic financial institutions

are now capable of engaging in fiercer competition with global peers as their service abilities in many aspects, such as banking and insurance, have improved a lot over the past years, Li said.

Despite headwinds from the trade tensions, global investors are still optimistic about China's economic prospects, said Zhang Zhiwei, Deutsche Bank's chief China economist and head of China equity strategy.

Foreign investors believe that China has enough policy tools to offset short-term downside pressure, while the financial risks are under

control as the country's debt level has shown signs of stabilizing, Zhang said.

China's overall debt-to-GDP ratio had dropped to 249.4 percent by the end of 2018, 1.5 percentage points lower than a year earlier, according to the PBOC.

If trade tensions escalate further, more opening-up policies in the sectors of medical care and education will help boost global investors' confidence in the Chinese economy, Zhang added.

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