

## BUSINESS

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RAPID CHANGES  
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Technicians work on a car production line of a General Motors venture in Wuhan, capital of Hubei province. PROVIDED TO CHINA DAILY

## Foreign investment sees growth momentum

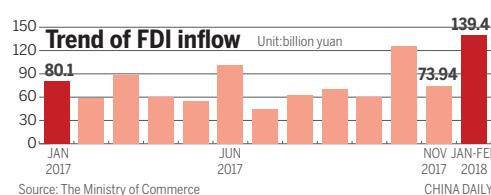
Capital inflow into high-tech sector rises 27.9% in first two months of this year

By ZHONG NAN  
and REN XIAOJIN

Foreign direct investment into the Chinese mainland from Singapore, South Korea and the United States jumped 62.9 percent, 171.9 percent and 56.8 percent year-on-year respectively in the first two months of 2018, the Ministry of Commerce said on Thursday.

FDI into the Chinese mainland rose 0.5 percent year-on-year to reach 139.4 billion yuan (\$22.1 billion) from January to February, while the number of newly-established foreign companies soared to 8,848, leaping 129.2 percent on a year-on-year basis.

Capital inflow from the Association of Southeast Asian Nations and economies related to the Belt and Road Initiative into the Chinese mainland



also surged 76.9 percent and 75.7 percent respectively from the same period last year.

The sharp contrast between the growth rates in the number of new foreign companies and FDI is caused by the country's ongoing industry upgrading and new policies to attract foreign business to deploy their money into the country's high-tech and service-related sectors," said Zhou Mi, a researcher at the Chinese Academy of International Trade and Economic Cooperation.

He said the figures show that the amount of FDI in single projects decreased, as the focus of foreign investment has already changed in the country.

Under the government plan, the general manufacturing sector will be com-

pletely opened up, and access to sectors such as telecommunications, medical services, education, elderly care and new-energy vehicles will be expanded this year.

China will also phase in an opening-up of bank card clearing and other markets; lift restrictions on the scope of operations of foreign-invested insurance companies, and ease or lift restrictions on the share of foreign-owned equity in companies in sectors including banking, securities, fund management and futures.

Foreign capital inflow in the high-tech manufacturing sector rose 27.9 percent year-on-year, accounting for almost a fifth of the total FDI in the first two months, while a total of 12.7 billion yuan was attracted by the high-tech service industry, official data show.

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As FDI into China reached \$136.3 billion, breaking a historical high in 2017, Huang Maoxing, a deputy to the 13th National People's Congress and an economics professor at Fujian Normal University, said foreign companies still see China as a priority investment destination because of its enormous consumption power supported by the country's population size.

"China has always been conducting favorable policies and it will further enhance its appeal to foreign investors, thereby combating the decline in advantages China used to have and the fierce competition for foreign investment from other countries," he said.

Eager to diversify the country's development capabilities, the Ministry of Commerce pledged to further facilitate foreign investment, including granting pre-establishment national treatment to foreign companies and implementing the negative list management system in 2018.

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## Shanghai to shape Adidas' dreams

By WANG ZHUOQIONG  
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German sportswear maker Adidas has put Shanghai at the center of its efforts to boost expansion in the world's fastest-growing consumer market and consolidated its Asia-Pacific operations in the city.

Previous individual markets in China, Japan, South Korea and Southeast Asia-Pacific will be brought together under the leadership of Colin Currie, who has been promoted as managing director of Adidas Asia-Pacific. Currie will also continue in his capacity as managing director for the Chinese market.

"By integrating key regional markets into one Asia-Pacific market based in Shanghai, we will be able to drive a more sustainable and efficient business model across the region," Currie said.

With a more sustainable business model across Asia-Pacific, it will also improve operational efficiency, driving simplicity and allowing the brand to leverage best practices and the best talent from across the region, according to Adidas.



A customer tries on an Adidas shoe at the company's store in Datong, Shanxi province. HU YUANJI / FOR CHINA DAILY

29 percent

Adidas' sales growth in China in 2017

Buoyed by the nationwide surge in sports and fitness, Adidas has over 10,000 stores in more than 1,200 cities in the country and consolidated its position in 23 key Chinese cities, as well as made strong inroads into lower-tier or "future" cities.

Shanghai will play an even greater role in shaping the brand's success throughout

Asia-Pacific, said the company. The region's size and economic power, together with its rapidly changing consumer trends, growing cities and fast-paced e-commerce and digital landscape are driving new opportunities for Adidas, according to the company.

In 2017, sales in China increased by 29 percent, making it Adidas' fastest growing market globally. In euro terms, the company's sales rose 15 percent to 21.22 billion euros (\$26.23 billion) in 2017. In the fourth quarter, sales in China were up 32 percent, driven by the Adidas and Reebok brands.

The performance has proved the brand's leading position in sports, fitness and style in the market, said Currie. The company will continue to focus on products, services and areas such as digital and e-commerce, he said.

Adidas CEO Kasper Rorsted added that "our strategic growth areas — North America, China and digital commerce — were the main drivers of our performance."

The company expects sales to increase at a rate of around 10 percent in 2018. Following the strong operational and financial performance in 2017, the company has also upgraded its 2020 profitability target. The company now expects to reach an operating margin of up to 11.5 percent by 2020.

Adam Zhang, founder of Key-Solution, a sports marketing and consulting agency, said the growing interest for sports and the increased demand for better sportswear and goods have helped Adidas in China. Euromonitor International, a market research provider, said the total sportswear market in China could reach 318 billion yuan (\$50.3 billion) by 2022.

## TWO SESSIONS

## Vimicro processor to boost video surveillance

By MASIM  
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ing reliance on foreign technologies.

"China spends more than \$200 billion to import chips every year, more than the amount spent on crude oil imports," said Deng, who is also a member of the 13th National Committee of the Chinese People's Political Consultative Conference.

The move is part of China's broader push to develop a home-grown semiconductor industry, in the hope of reduc-

they are powering a wide range of AI applications," said Deng, also an academician with the Chinese Academy of Engineering.

According to Deng, the company's new AI processor features low-power consumption and super-fast speed. Vimicro has partnered with the Ministry of Public Security to draft part of a national standard on video surveillance, which can help better leverage technology to crack down on crimes.

As China builds up one of the world's largest networks of video surveillance cameras, Deng also called for more efforts to better standardize and regulate the industry.

Vimicro is among a growing number of Chinese companies that are scrambling to work on tailor-made chips for AI applications. They aim to compete with foreign rivals such as Intel Corp, Qualcomm Inc and Nvidia Corp.

In November, Cambricon Technologies, an AI chip startup affiliated with the Chinese Academy of Sciences, said that it aims to have 1 billion devices using its semiconductor intellectual properties in three years. Cambricon unveiled its first chip, Cambricon-IA, in 2016, which can be used in robotics, drones, autonomous vehicles and consumer electronics.

According to Deng, Chinese chip makers have made breakthroughs but there is still a gap between them and foreign players in mature technologies.

"More efforts are needed to explore emerging technologies that nobody has ever experimented with," he added.

In July, China unveiled a national plan to build a 1 trillion yuan (\$158.4 billion) AI core industry by 2030. Developing homegrown AI processors is an important part of the ambitious goal.

Xie Yuan, an AI expert and professor from the University of California, Santa Barbara, said earlier that because young Chinese researchers' work on AI hardware architecture has reached a world-class level, there is a huge opportunity for them to lead in the high-tech field.

## MediaTek unveils AI-powered chip

MediaTek Inc has unveiled an artificial-intelligence-powered chip in China, as the semiconductor maker scrambles to equip middle-range smartphones with AI functions such as face recognition.

The move is likely to put pressure on Qualcomm Inc and Huawei Technologies Co Ltd to use their AI chips in more mid-tier devices and will greatly accelerate the popularity of affordable AI-powered smartphones among consumers.

Helio P60 chip, as the new processor is called, can boost performance by up to a massive 70 percent from its predecessor, and it has new tools to support the growing market for machine learning and AI applications, the company claimed.

More importantly, MediaTek has teamed up with social networking giant Tencent Holdings Ltd as well as face-recognition startups SenseTime Co and Megvii Technology to optimize their AI applications based on the new chipset.

Wang Zibin, product director at SenseTime, said the company has optimized its algorithms based on P60's platform, which can enable users to unlock smartphones via face recognition within 100 milliseconds.

TL Lee, general manager of MediaTek's wireless communication business unit, said the company aims to expand its presence in the sector with improvements on hardware and dedication to build up an

open platform.

"Smartphones that come with P60 will hit the streets in April, which will bring AI experience to a wide range of consumers," Lee said.

The move is in line with MediaTek's latest shift in focus to the mid-tier market rather than on the expensive premium end, which the company has been catering for with its Helio X series.

Xiang Ligang, a smartphone expert and CEO of industry website Cctime, said the move will exert pressure on Qualcomm and Huawei which have unveiled high-end AI chips.

"Though smartphone vendors often tout flagship handsets as their star products, it is mid-range phones that really move big sales numbers. It makes sense for MediaTek to boost its competence in the mid-tier segment," Xiang said.

"But the key is managing a balance between good user performance and price. That demands both technology and patience," Xiang said.

"It is unlikely for P60 to make budget handsets as smart as iPhone X, the premium device by Apple Inc, but small improvements will satisfy most consumers given their far lower prices," he added.

The move also came as MediaTek grapples with declining sales in China, the world's largest smartphone market. The company's sales in February went down about 25 percent year-on-year.

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## Guizhou ramps up big data push

By OUYANG SHIJIA  
and YANG JUN

Guizhou province is ramping up its efforts to become China's big data valley and a new innovation center with a plan to boost its digital economy that will see added value occupies 33 percent of total GDP by 2022, said the head of Guizhou's top economic planner.

Chen Shaobo, director of the Guizhou provincial development and reform commission, said the government will further push for the integration of big data into the real economy for government, commercial and civilian use.

"We aim to deeply integrate more than 10,000 enterprises in the real economy with big data by 2022," said Chen, also a deputy to the 13th National People's Congress.

The province, known for its lush green mountains and home to ethnic minorities, has long been seen as a less developed and remote area. However, buoyed by supportive State policies, the rapidly-developing province has now attracted hundreds of companies to seek new momentum in the market,



including Qualcomm, Apple, Huawei, Tencent and Alibaba.

Chen reiterated that Guizhou welcomed foreigners to invest and develop in the province, and it is gearing up to create a better environment.

"High-quality industries will be integral to Guizhou's future development, including tourism, green economy, the digital economy, healthcare, new energy vehicles, high-end equipment manufacturing and new materials."

Guizhou, China's first big data pilot zone, has an ideal climate for operating data centers and is also a key energy base with abundant coal and water resources. Low operating costs alongside favorable big data policies are pushing forward big data development.

"To reinvent Guizhou as an innovation hub, we will intro-

duce more than 1,000 high-technology companies globally that have a competitive edge and growth potential and also transform over 1,000 companies in traditional industries. And those will serve as two main engines to boost the big data economy and maintain high-quality growth," Chen said.

According to him, 122 of Top 500 Enterprises of China and Fortune 500 companies have settled in Guizhou and each year it attracts more than 700 billion yuan (\$110.8 billion) in funding from outside the province.

In terms of upgrading traditional industry, the local government announced last year a new plan to invest 1 billion yuan annually to add smart mechanization to the coal industry in the next four years.

Guizhou's ambitious goal to build China's digital valley puts forward higher requirements for the supporting infrastructure, such as the improvement of network bandwidth and coverage.

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