

Industrial internet development efforts powering ahead

By CHENG YU and YANG JUN in Guiyang

China is stepping up efforts to develop the industrial internet, with the recent approval of two important action plans for the industrial internet, an official from the Ministry of Industry and Information Technology said on Sunday.

The three-year development plan and the work plan for the leading working group on the industrial internet were recently approved to guide and accelerate the development and application of advanced manufacturing, said Liu Jie, deputy head of the telecommunication management department of the MII.

The move is part of the nation's

broader effort to advance the Made in China 2025 plan to bolster competitiveness in advanced manufacturing. To be specific, China is expected to lead the world in key sectors of the industrial internet by 2035.

The industrial internet refers to a network of combined, advanced machines with internet-connected sensors and big-data analytics, which is of great significance to boosting the productivity, efficiency and reliability of industrial production.

"China has accumulated more than 30 industrial internet platforms with a certain size and commercial capacity. Moreover, more than 630 companies and institutes in fields including manufacturing, automation and the internet have

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Liu Jie, deputy head of the telecommunication management department of the Ministry of Industry and Information Technology

joined the industrial internet alliance," he said.

Liu made the remarks at the 2018 China international big data industry expo in Guiyang, Guizhou province, which aims to enhance international exchange and cooperation in the development of the big data industry.

"As a power in both manufactur-

ing and the internet, we are expected to ramp up efforts in cooperation between the internet and manufacturing companies, and will accelerate the research and development of core technologies," he added.

Though the sector is still in its infancy, a group of Chinese companies, including China Aerospace Sci-

ence and Industry Corp (CASIC) and Sany Heavy Industry Co Ltd, have beefed up their presence in the industrial internet segment in the past few years.

CASIC, one of the nation's major space contractors, for example, has so far attracted 1.65 million registered users with the total transaction amount exceeding 400 billion yuan (\$62.6 billion). More than 13,000 overseas companies have also registered its platform.

"China has taken the 'last train' of the industrial revolution, the 'fast train' of the internet revolution, and finally made its way into the 'first-class cabin' of the mobile internet. But we should notice that there is lack of key products and technologies in an array of irre-

placeable areas," said Gao Hongwei, chairman of CASIC.

Faced with such challenges, Gao said that the company is seeking to help Chinese companies to gradually transform so that the country's industrial sector can move from cloud manufacturing to collaborative manufacturing, and finally into smart manufacturing.

"We have also served a large number of small and micro companies by helping them embrace cloud computing, big data and other cutting-edge technologies, as small and micro companies account for 85 percent of the total industrial registered platform users," he added.

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What's news



GOVT AND POLICIES

PBOC injects liquidity via reverse repos

The central bank on Monday injected funds into the banking system via open market operations to maintain liquidity. The People's Bank of China conducted 20 billion yuan (\$3.13 billion) of seven-day reverse repos and 10 billion yuan of 28-day reverse repos, according to a central bank statement. A reverse repo is a process by which the central bank purchases securities from commercial banks through bidding, with an agreement to sell them back in the future. The interest rate for the seven-day reverse repos stood at 2.55 percent, while the rate for 28-day contracts was 2.85 percent.

Lenders' liabilities, assets recover in April

China's banking institutions saw their assets and liabilities continue to expand in April compared with a year earlier, according to the China Banking and Insurance Regulatory Commission. The institutions had combined assets of 248.6 trillion yuan (\$38.9 trillion) as of the end of April, up 7.2 percent year-on-year, the data show. Their total liabilities reached 228.5 trillion yuan, up 6.8 percent. Commercial banks had a total of 192.4 trillion yuan in assets, up 6.4 percent year-on-year, while their liabilities increased 6 percent to reach 177.2 trillion yuan.

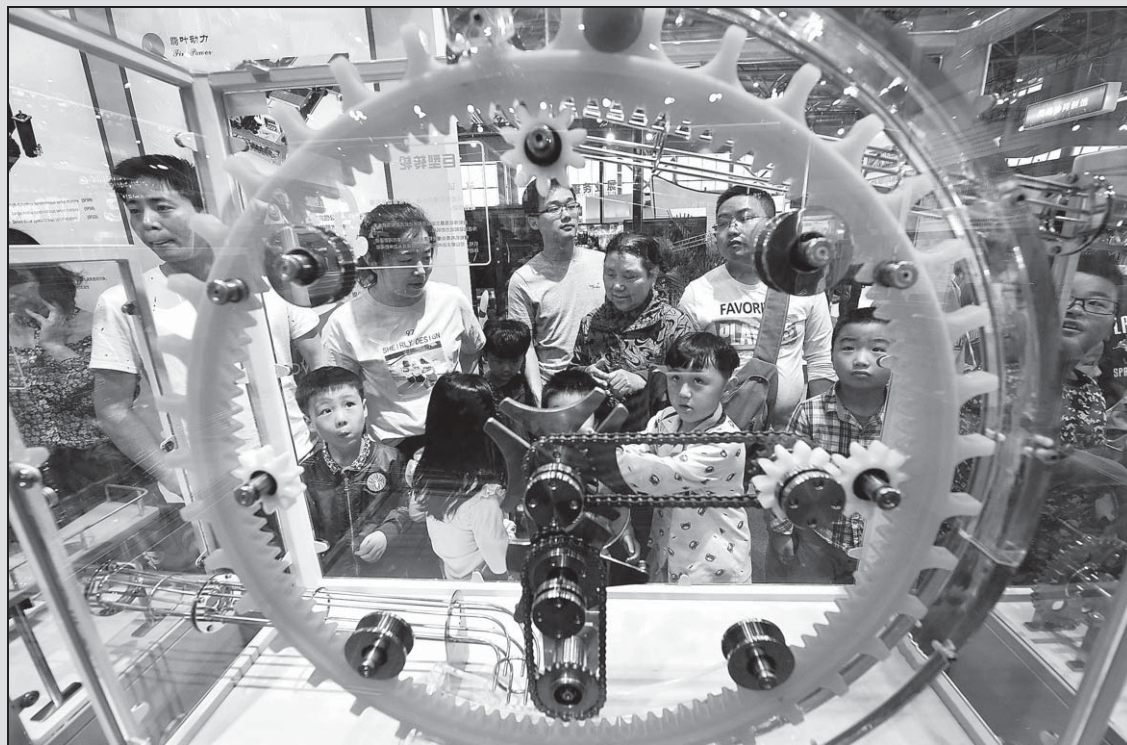
Beijing conference to focus on system safety

Industrial control systems are gradually being transformed from closed and isolated systems into open and interconnected platforms, led by initiatives such as the Made in China 2025 strategy and Germany's Industry 4.0 concept. The Chinese Association of Automation and a number of partner associations and companies held the 2018 Industrial System Safety Conference in Beijing recently to discuss how to prevent potential risks during business operations, with new topics involving internet of things, cloud computing, big data, blockchain, 5G, mobile internet and artificial intelligence.

436 manufacturing projects signed in Hefei

A total of 436 deals were signed dur-

Machine learning



Youngsters operate a model giant wheel gear at the stand of Hefei Panshi Automation Technology Co Ltd at the World Manufacturing Convention 2018 held in Hefei, Anhui province, between Friday and Sunday. ZHANG DAGANG / FOR CHINA DAILY

ing the World Manufacturing Convention held in Hefei, capital of Anhui province, with a total investment volume of 447 billion yuan (\$70 billion), local authorities said. The investments cover electronic information and home appliances, new materials and new energy, equipment manufacture, and auto-making, as well as biological medicine, said Deng Xiangyang, vice-governor of East China's Anhui province. More than 4,000 representatives from 75 countries and regions attended the convention.



COMPANIES AND MARKETS

Renminbi weakens against US dollar

The central parity rate of the renminbi weakened 95 basis points to 6.3962 against the US dollar on Monday, according to the China Foreign Exchange Trade System. In Chi-

na's spot foreign exchange market, the yuan is allowed to rise or fall by 2 percent from the central parity rate each trading day.

CSRC approves two new IPO applications

The securities regulator has approved new IPO applications from two companies, which will raise about 2.7 billion yuan (\$429 million) in the A-share market. Yijiahe Technology Co Ltd and China Securities Co Ltd will be listed on the Shanghai Stock Exchange, the China Securities Regulatory Commission said over the weekend. The firms and their underwriters will confirm IPO dates and publish prospectuses following discussions with the exchanges. Under the current IPO system, new shares are subject to approval from the CSRC. China is gradually switching from an approval-based IPO system to a more market-oriented one based on registration.

Xiamen Airlines adds Boeing 737 MAX to fleet

China's Xiamen Airlines welcomed

the 200th member of its fleet as its first Boeing 737 MAX aircraft started commercial flight on Sunday. With a white egret logo on its tail fin, the latest model of the Boeing 737 family started its maiden trip for Xiamen Airlines on a direct air route from Xiamen to the eastern city of Shanghai. "Born in 1984 in the Xiamen Special Economic Zone, Xiamen Airlines is the epitome of China's surging civil aviation amid the country's reform and opening-up," said Che Shanglun, chairman of Xiamen Airlines.

Ratings agencies to consolidate presence

International ratings firms are planning to set up independent branches in China as the nation continues to open up its financial market. Standard & Poor's seeks to set up a stand-alone ratings firm in China, while Fitch Ratings also plans to apply to Chinese regulators for such a license, according to a report in the Shanghai Securities News. China's central bank rolled out rules on interbank bond market credit ratings services by foreign ratings firms last July, marking the

first step in opening the domestic ratings market to foreign players. Previously, foreign ratings agencies could only hold minority stakes in joint-venture operations in China.



AROUND THE WORLD

Vietnam's tra fish exports surge 43%

Vietnam exported \$145 million worth of tra fish (pangasius) to China in the first four months of this year, up 43 percent year-on-year, according to the Vietnam Association of Seafood Exporters and Producers. With the turnovers, China surpassed the United States to become Vietnam's largest tra fish importer in the four-month period, VASEP said on Friday, adding that Vietnam is currently the third-largest provider of white fish for China, after Russia and Norway. VASEP considered China a key market for tra fish export this year and forecast

its demand for Vietnamese tra fish will expand in the second quarter of 2018.

London house prices fall most since 2009

House prices in London tumbled in March, with the annualized rate of inflation dropping to minus 0.7 percent, the steepest fall since 2009, according to the latest official Land Registry figures for March. The falls in the British capital contrast with continued rises across the rest of the country, with the overall rate of house price inflation at 4.2 percent, with the highest rise in Scotland at 6.7 percent. The British Office for National Statistics, which compiles the house price index based on Land Registry data, said prices in London have been falling since the European Union referendum in June 2016.

Slovakia enjoys higher inflows of tourists

Slovakia registered a record number of 5.4 million tourists, both domestic and foreign, in 2017, up 7 percent year-on-year, local media reported. Slovak tourists made up 60 percent of all tourists with 3.2 million registered. Among the foreign tourists, Czech visitors topped the list with more than 645,000, which was followed by Poles, Germans, Hungarians and Austrians.

Moldova planning to hold economic forum

A Moldovan-Russian economic forum will be held in the Moldovan capital of Chisinau this year, TASS news agency reported, citing Moldovan President Igor Dodon. The forum will be held on Sept 20-22, with the participation of potential Russian investors, he said.

Tequila makers bullish on 3.2% uptick in sales

Global consumption of Mexico's national spirit Tequila has increased fast, estimated to grow 3.2 percent annually by 2021, Mexico's National Tequila Industry Chamber said. The projection indicates the second biggest growth for a spirit on the global market in the near future, only behind whisky's 3.4 percent, according to the chamber's president Rodolfo Gonzalez. "By 2021, global tequila consumption is forecast to reach 34.7 million nine-liter cases, compared with the more than 31 million cases consumed in 2017," Gonzalez told a news conference, citing the latest report by the London-based International Wine and Spirit Research.

CHINA DAILY — AGENCIES

Logistics businesses bank on digital supply chains for tech innovation

By LIU YUKUN liuyukun@chinadaily.com.cn

Logistics companies in China are increasingly relying on tech innovation, related to supply chains, to cater to the growing needs of e-commerce and cross-border trade platforms.

Digitalized supply chain, a broader concept for how technologies like cloud-based systems, data analysis, and artificial intelligence have reshaped supply chain operations, is now the top priority for most of the major logistic companies.

"China's logistic industry is becoming more tech savvy," Feng

Gengzhong, deputy head of China Society of Logistics, said at a recent industry forum in Xi'an, Shaanxi province.

JD Logistics, for example, has teamed up with the Shaanxi government to adopt unmanned aerial vehicles, or drones, for local logistics networks from 2017. Best Express, another major logistics provider, has developed an AI-based net routing algorithm that enables a 5 percent reduction in annual operating costs.

"Digitalization of supply chains will help raise working efficiency, reduce operating costs and enhance working performance," said Sun Guiyu, vice-president of JD Logis-

tics, at a recent industry forum.

Feng added that the booming digital innovation in China's logistics industry has provided renewed momentum for the country's e-commerce and cross-border trade.

According to data released from online research center chinaidr.com, China's logistics industry earned revenues of 342.5 billion yuan (\$53.6 billion) during the first three quarters of 2017, with e-commerce accounting for over 70 percent of the total orders.

"Chinese e-commerce firms have been rapidly increasing their presence in the global market," said Feng.

JD Logistics, a subsidiary of e-commerce giant JD, invested \$306 million in ESR Caymen Ltd, a pan-Asia logistics group, earlier this month, just a week after it acquired a 10 percent stake in Hong Kong-listed China Logistics Property Holdings Co Ltd for \$115 million.

JD's major rival, Alibaba Group Holding Ltd, has poured over \$6 billion into the Indonesian e-commerce and logistics sector through investments in Lazada and Tokopedia.

Feng said the increased use of e-commerce in various fields is creating great opportunities and challenges for the logistics industry.

The growing demand for food

and fruit online purchases, for instance, has challenged the industry due to special packing and temperature requirements. Cold chain logistics, which also deals with food wastage, is now gaining ground with logistics service providers.

According to Business Wire, an online news platform, many logistics companies are implementing the blockchain technology to enhance efficiency in the supply chain. It also forecasts that the cold chain market in China will grow at a compound annual growth rate of over 13 percent from 2018 to 2022.

Healthcare is another example of a sector that has special require-

ments for delivery time and temperature.

"Healthcare is also one of the fastest growing sectors in Asia-Pacific, and its demand for logistics, like medicine and medical equipment shipping, is rising," said Karen Reddington, president for the Asia-Pacific sector at global logistics company FedEx Corp.

"Delivery of pharmaceutical materials can be tricky and needs proper deployment of cold chain logistics," Reddington added.

"In response, we have expanded our tailored solutions for the sector to provide real-time tracking and updates on information such as temperature," Reddington said.