

BUSINESS

OQ to further tap China's growth bonus

Energy giant bullish on country on back of wider market access, green transition

By LIU ZHIHUA
liuzhihua@chinadaily.com.cn

Despite various challenges, China's stable economic growth has boosted the confidence of foreign investors, said a senior executive from OQ, an Oman-headquartered global integrated energy company. OQ is ready to tap growth opportunities arising from China's increasing market openness and green development, said Hilal Al Kharusi, chief executive for commercial and downstream at the energy giant, during an exclusive interview with China Daily. The company officially entered China in 2010 and currently operates in 17 countries and regions around the world, with its polymers and chemical products sold in more than 85 countries.

“A thriving economic environment and improving business policy would certainly empower us to be well-positioned in the China market ...”



Hilal Al Kharusi, chief executive for commercial and downstream, OQ

“China has published statistical data and growth target that reflect the strong signal that its economy is recovering very fast and therefore is creating huge opportunities for companies like OQ across the globe,” Kharusi said.

“A thriving economic environment and improving business policy would certainly empower us to be well-positioned in the China market in the coming years,” he added.

The latest data from the National Bureau of Statistics showed that China's economy expanded by 4.5 percent year-on-year in the first quarter of 2023, versus 2.9 percent in the last quarter of 2022, posting a steady economic rebound.

The country's first-quarter GDP came in at around 28.5 trillion yuan (\$4.11 trillion), up 2.2 percent on a

quarterly basis, the NBS said.

Kharusi said the company expects to see growth across its business units including polymer, chemicals and trade in China. It also attaches great importance to enhancing local product research and development while stimulating more demand for its products in the local market.

It also sees opportunities to expand production capacity in China as the country is one of the largest markets for its products.

The company is just one example showing that foreign investors are firmly confident in their development prospects in China, as the Chinese economy looks set for a recovery in 2023 against the background of a slowing global economy and subdued international investor sentiment.

According to the Ministry of Commerce, foreign direct investment in the Chinese mainland expanded 4.9 percent year-on-year to 408.45 billion yuan during the first quarter. Newly established foreign enterprises exceeded 10,000, up 25.5 percent on a yearly basis during the period.

In particular, FDI in high-tech industries surged 18 percent from a year ago to 156.71 billion yuan.

China's drive to fulfill its “dual carbon” goals will not only position the country as an investment hub for relevant fields but also advocate for green products, the executive said.

OQ has already embarked on decarbonization efforts. Many partnership projects are now under development, and when ready, will generate up to 30 gigawatts of renewable energy.

The company also plans to expand investments in the China market as policy signals from the country have “given us encouragement to proceed with our plans”, Kharusi said.

It will invest to leverage digital transformation to empower Chinese customer services and has launched a digital platform where customers can order products online and finalize their purchases seamlessly.

It has also expanded its team and has been working with four ports in China, which include Ningbo, Zhejiang province and Shanghai, to shorten the transportation time for products from Oman to China.

Currently, the company depends on multiple shipping lines to export products to China, with an average transit time of 18 to 24 days, depending on the port of entry.



Farmers participate in a stir-fried tea competition during a promotional event in Qianxinan Bouyei and Miao autonomous prefecture, Guizhou province, in March. LIU CHAOFU / FOR CHINA DAILY

Govt supports encourage Guizhou tea sellers to improve products, eye bigger overseas sales

By LIU YUKUN in Beijing
and YANG JUN in Guiyang

Lixiang Tea Co Ltd, based in Meitan county, Guizhou province, is seeing its production facilities operating at full capacity, as it has entered its busiest business season of the year.

With three production lines running tirelessly, the tea company collects and processes 3,000 to 3,500 kilograms of fresh tea leaves per day to produce 500 to 1,000 kg of dried tea.

Operating an online store on Amazon, the company aims to build up its brand in the global market to increase the added value of its products in addition to supplying raw materials. It also has a target of increasing its exports from \$28 million last year to \$60 million this year.

Many tea companies like Lixiang Tea in Guizhou are expanding their sales globally, with greener production lines that are larger and more standardized.

In 2022, China's tea exports reached 375,000 metric tons, with Guizhou's tea exports standing at 4,900 tons, ranking among the top 10 provincial exporters, local news reports said.

The government has also provided policy and financing support for tea exports.

Hu Jicheng, deputy head of the Guizhou provincial department of agriculture and rural affairs, said

that to help companies improve tea product quality and better expand their overseas sales, major tea-producing counties in Guizhou, in collaboration with Guizhou University, the Guizhou Academy of Agricultural Sciences and the Guizhou Tea Research Institute, held events to demonstrate many green technologies, such as biological pest control, to local companies.

In terms of agrochemical selection and use, the standards are even more stringent. Hu said: “We have launched the Guizhou Tea Industry Development Measures, the first in China, to explicitly prohibit the use of chemical herbicides in tea gardens. We have also raised the number of prohibited agrochemicals from the national requirement of 62 types to 128, considering industrial standards in overseas markets.

“In tea quality risk monitoring conducted by the Ministry of Agriculture and Rural Affairs and provincial authorities, the qualified rate of agrochemical residues and heavy metals in Guizhou tea has remained at 100 percent for 11 consecutive years.”

At the same time, the provincial government is actively building platforms to help enterprises expand global sales.

On April 15, the 15th Guizhou Tea Industry Expo opened in Meitan. The event invited buyers and enterprises to discuss topics relevant to

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\$60 million

target for tea exports of Lixiang Tea Co Ltd in 2023

the tea production industry, and to promote the development of novel types of tea and tea exports.

During the exhibition, Lixiang Tea signed contracts of purchases with buyers from Hong Kong and North America, totaling \$22 million.

As a well-established tea enterprise in Guizhou, Lixiang Tea has engaged in tea production and sales for over 20 years. The company began exploring global markets last year to generate new growth points,

but the transition faced great challenges.

“From finding customers, to export inspection and Customs clearance ... the process of exporting tea was a new experience full of things we were not familiar with. For example, we were unfamiliar with export inspections at the beginning and it was with the guidance from other companies who had experience in this area that we were able to proceed. There were also many errors while we were filling out forms, but government officials guided us and patiently helped us correct them,” said Tan Shude, chairman of Lixiang Tea.

According to the company, last year, also the first year that Lixiang Tea started exporting, the company saw an export value of \$28 million. The success has given the company confidence and it introduced four new production lines to reach its goal of \$60 million this year.

The company said the new production lines are currently in the final debugging stage. Once put into operation, the equipment will be mainly used for producing teas for export, with an expected increase in production capacity by 40 percent.

Zhao Yandi in Guiyang contributed to this story.

Contact the writers at liuyukun@chinadaily.com.cn

Financial services under Sino-Singaporean initiative benefit ASEAN members

CHONGQING — The Thai subsidiary of Chongqing Hongjiu Fruit Co Ltd obtained a \$3 million loan from Standard Chartered Bank (Thailand) in June to expand the company's fruit business.

“The loan has been mainly used to import fresh fruit from Thailand. It has played a crucial role in enhancing our purchasing capacity and expanding the market. Meanwhile, it has further benefited Thai fruit growers, as they have broader access to export their fruit and gain more profits,” said Deng Hongjiu, chairman of the fruit company based in southwestern China's Chongqing.

The financing project was facilitated under the framework of the China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity, which was launched in 2015. Financial service is one of the key areas of cooperation under the framework.

Data released at the fifth China-Singapore (Chongqing) Connectivity Initiative Financial Summit, which closed on Friday, showed that as of March this year, a total of \$19.6 billion in cross-border financing projects had been implemented under the framework in the preceding seven years. Such projects were scattered across more than 10 provinces and municipalities in China, including Chongqing, Yunnan, Sichuan and Guizhou.

“A financial service platform for the New International Land-Sea Trade Corridor has been co-established by the Chinese and Singaporean sides, which provides convenient and low-cost financial services ...”

Liu Wei, director of the coordination center for logistics and operations of the New International Land-Sea Trade Corridor

Held in China's Chongqing municipality and Singapore simultaneously on April 20 and 21, the summit focused on new missions for financial centers and new momentum for financial opening-up. It aimed to provide forward-looking views and policy guidelines for quality financial cooperation between China and Singapore, as well as between China and the Association of Southeast Asian Nations.



An employee of Chongqing Hongjiu Fruit Co Ltd arranges durians for export to China at the company's facility in Chanthaburi province, Thailand. XINHUA

Cross-border financial services under the framework have also provided new opportunities for the New International Land-Sea Trade Corridor, a trade and logistics passage jointly built by western China provincial-level regions and ASEAN members.

“A financial services platform for the New International Land-Sea Trade Corridor has been co-established by the Chinese and Singapo-

rean sides, which provides convenient and low-cost financial services for logistics, trade and manufacturing enterprises,” said Liu Wei, director of the coordination center for logistics and operations of the New International Land-Sea Trade Corridor.

Through financial support, the development of the trade corridor has taken off.

Data from the center showed

that from January to March, 36,000 twenty-foot equivalent units, or TEUs, valued at 5.56 billion yuan (\$803.7 million), were transported along the trade corridor via Chongqing, up 39 percent and 25 percent year-on-year, respectively.

The trade corridor serves 393 ports in 119 countries and regions.

Apart from fruit from Thailand, more and more agricultural prod-

ucts from Laos and Cambodia, as well as seafood from Vietnam, have entered the vast Chinese market through the trade corridor.

“Enhancing financial cooperation and connectivity is an important part of promoting ASEAN-China economic integration. More connected financial ecosystems across the region will help businesses by lowering transaction costs, improving their access to financing and making it easier for businesses to manage their risks and finances,” said Josephine Teo, Singapore's minister for communications and information and second minister for home affairs, at the summit via an online speech.

“All of these will have a positive effect on increasing trade flows and cross-border investments in new projects and help realize the immense potential of our region,” she added.

Ruan Lu, director of the Chongqing Local Financial Supervision and Administration Bureau, said the cooperation between Chongqing and Singapore has promoted connectivity between the western regions of China and ASEAN members.

Chongqing and Singapore are expected to further strengthen financial cooperation and explore higher-level cross-border financial services in the future, Ruan said.

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