

BUSINESS



Workers operate an assembly line of smart excavators at Sany's factory in Shenyang, Liaoning province, in February 2023.

ZHANG WENKUI / FOR CHINA DAILY

Chinese firms buoy African mkt

Development plans, demand for wide range of goods excite nation's exporters

By **ZHONG NAN**
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In response to African countries' efforts to stimulate economic growth, broaden market access and unlock consumer potential, Chinese companies will deploy more resources and manpower on the continent in the years ahead, to capitalize on growing demand for goods ranging from daily necessities to industrial machinery.

Exporters and trade experts said such moves will be consistent with China's continuous efforts to strengthen its trade ties with Africa and exploit the growing opportunities in Africa's rapidly developing economies.

Many African countries have solid medium- and long-term development plans, such as South Africa's National Development Plan 2030, and Kenya and Egypt's Vision 2030 strategies, they said.

As many African countries are experiencing steady economic growth and urbanization, Chinese companies, with their expertise in manufacturing and related services, are well-positioned to meet these needs, said Liu Jisen, a professor specializing in African studies at Guangdong University of

Foreign Studies in Guangzhou, Guangdong province.

Sany Heavy Equipment Co Ltd, a Shenyang, Liaoning province-based mining and construction machinery manufacturer, exported 91.34 million yuan (\$12.83 million) worth of mining trucks, parts and other types of mining equipment to Africa in the first seven months. Its main export destinations in Africa included Eritrea, Mozambique, South Africa, Nigeria, Tanzania, Ghana and Morocco.

Huang Dexiang, head of Sany Heavy Equipment's overseas sales unit, said the company's African clients are increasingly demanding smarter control systems and electric-powered products, driving the Chinese firm to consistently innovate and launch new offerings.

"The electrification trend for construction machinery with small operating radiuses and fixed activity is gaining momentum in many African countries," said Huang, adding that some of the company's African customers are now eager to adopt electric-powered loaders and dump trucks for use in factories, mines and ports.

According to statistics from Shenyang Customs, Liaoning prov-

ince exported construction machinery worth 310 million yuan to Africa in the first half, up 54 percent year-on-year.

The deepening of China-Africa trade cooperation is based on shared interests and pursuit of mutual benefits, said Sang Baichuan, dean of the Institute of International Economy, which is part of the University of International Business and Economics in Beijing.

This not only serves as strong evidence of the positive outcomes from China's high-quality economic development, but also plays a key role in promoting social development in Africa and improving the living standards of the local population, said Sang.

Sharing similar views, Cheng Xiaohong, a professor at the center for African studies, which is part of Hunan Normal University in Changsha, Hunan province, said the expanding consumer market in Africa offers decent opportunities for Chinese companies to export products ranging from trains and telecommunications equipment to consumer goods.

For example, Shaoyang Sunshine Hair Products Co, a Shaoyang, Hunan province-based wigmaker, has made significant improvements in the comfort and realistic looks of its products to meet the demand from African consumers

in recent years.

"We have registered several proprietary brands in countries like South Africa and Nigeria. They have emerged as top-selling brands in those markets," said Huang Yongxiang, the company's chairman.

Shaoyang exported wigs and hair-related products worth 830 million yuan to Africa during the January-July period, including products worth 550 million yuan shipped to South Africa, data from Changsha Customs showed.

On China's import front, a burgeoning middle-income group and rising demand for new-style beverages have lifted the country's coffee imports from Africa, positioning the nation as a big player in the global coffee market.

The growing popularity of specialty coffee and premium blends has driven market growth in China, with consumers increasingly discerning the quality and origin of their coffee, said Wang Rui, a sales manager at Suzhou Sudou International Trade Co, a coffee bean trader in Suzhou, Jiangsu province.

"In addition to importing coffee beans from Brazil, Colombia, Vietnam, Indonesia and the United States, we have expanded our purchase volume from African countries like Ethiopia, Uganda, Tanzania, Rwanda and Kenya in recent years," she said.

Experts stress RMB use in trade in services

By **SHI JING** in Shanghai
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Financial infrastructure in China should be further improved to facilitate the use of the renminbi in trade in services as certain services are playing a bigger role in China's overall foreign trade, experts said on Tuesday.

They made the comments after the State Council, the country's Cabinet, said in a circular on Monday that the nation will expand the cross-border use of the renminbi in trade in services.

This is part of the efforts to optimize cross-border capital flows, which are aimed at establishing and improving a negative list management system for cross-border trade in services.

Yuan-denominated cross-border financing and refinancing for trade purposes will be further supported, according to the State Council's document.

He Qing, a professor at the School of Finance, which is part of Renmin University of China, said cross-border use of the RMB for financing purposes is still on a small scale at present. While the RMB interest rate is now lower than that of other major currencies, more companies may consider RMB financing thanks to its lower costs.

But the current supply of cross-border RMB financial tools and products cannot meet companies' diversified financing demand. More room for development can be expected in this regard by making the most of the time window of interest rate gaps, he said.

Meanwhile, foreign exchange management measures should be completed, exploring hierarchical management based on companies' credit. In this way, foreign exchange services will be accessed more easily for trade in services and outbound investment in the services sector, according to the State Council's circular.

The value of China's trade in services jumped 14 percent year-on-year to 3.6 trillion yuan (\$505.5 billion) in the first half, said the Ministry of Commerce in early August.

While trade in travel-related services spiked 47.7 percent year-on-year to 961.7 billion yuan in the first six months, contributing to the overall surge in trade in services, trade in knowledge-intensive services like intellectual property royalties and

entertainment services rose 3.7 percent to top 1.4 trillion yuan.

According to Tang Wenhong, assistant minister of commerce, the transformation toward trade in services featuring digitalization, smart technologies and green transition has been accelerating. New technologies and novel business models have emerged quickly in trade in services, including digital games, short videos and online literature.

Banks' foreign exchange services should improve and change accordingly, said Liu Bin, head of the Current Account Management Department at the State Administration of Foreign Exchange.

In response to the new trends and business models in trade, banks should be given more autonomy to review businesses, evolving from case-by-case review to due diligence and business rationality assessment. Banks are encouraged to come up with innovative review methods to further optimize their business procedures. Therefore, companies can be granted more convenient foreign exchange services, said Liu.

Wang Jing, a researcher from the BOC Research Institute, said banks should further integrate their financial products and services with the actual scenarios in foreign trade. They should come up with more diversified and even tailor-made solutions to better address the needs of companies conducting foreign trade, she said.

Zhang Ming, deputy director of the Institute of Finance & Banking, which is part of the Chinese Academy of Social Sciences, suggested that construction of the infrastructure for the RMB's cross-border use should be completed at a faster pace to facilitate trade.

To that end, the Cross-border Interbank Payment System, which was launched in 2015 to integrate channels for RMB cross-border payments and settlements, should be given more play. The number of direct CIPS users should be increased, with the system's efficiency further improved, said Zhang.

CIPS can also team up with other cross-border clearing systems such as INSTEX in Europe so that a safer and more inclusive cross-border payment and clearing network can be built, which will also be conducive to the further internationalization of the RMB, he said.

Guizhou chemical project advances green goals

By **ZHENG XIN** in Beijing
and **YANG JUN** in Guiyang

A phosphate and coal chemical integration project located in Southwest China's Guizhou province, the largest industrial project in the province's history, will further transform local resource strengths into industrial and economic advantages, experts say.

With a total investment of approximately 73 billion yuan (\$10.25 billion), the project, once operational, is expected to achieve an annual output value of over 120 billion yuan and consume a substantial amount of raw materials each year, including 13.21 million metric tons of coal and 4.7 million tons of phosphate.

With advanced domestic equipment and technology processes to create a complete industrial chain for new energy and new materials, the project, located in Bijie, injects new momentum into the research, development and production of new energy power batteries and materials, said Lin Boqiang, head of the China Institute for Studies in Energy Policy at Xiamen University.

"The project's scale and ambition highlight the growing recognition of the need to align traditional resource extraction and processing industries with the demands of a greener economy, which will transform Guizhou's resource-rich regions into hubs of

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advanced industrial activity, potentially positioning the province as a key player in the global market for new energy materials."

The project is a joint investment by three private enterprises: Tsingshan Holding Group Co Ltd, the world's largest supplier of strategic resources like nickel and chromium, Huayou Holding Group, a leading global enterprise in new energy lithium battery materials, and Huafon Group, the world's largest producer of adipic acid.

The project will contribute to Guizhou's efforts to establish a

national base for deep processing of resources and to advance the research, development and production of new energy power batteries and materials, according to the local government.

Huayou, for example, is expanding its capacity globally, and Guizhou's abundant phosphate and coal resources make it an ideal location for this integration project.

Lin said that by integrating phosphate and coal processing with new energy and materials production, the project not only leverages the region's abundant natural resources, but also moves it up the value chain into more technologically sophisticated and economically lucrative sectors.

It not only maximizes the economic value derived from these resources, but also minimizes waste and environmental impact. By channeling these resources into the production of new energy power batteries and related materials, the project aligns with global trends toward electrification and renewable energy, making it a critical part of the supply chain for green technologies, he said.

The involvement of industry leaders like Tsingshan and Huafon, each with a strong technical background, ensures that the project will benefit from cutting-edge technology and processes, which is crucial for maintaining competitiveness in the

rapidly evolving global market for new energy materials, particularly in a context where innovation and efficiency are key drivers of success, he added.

According to Lin, as the world increasingly shifts toward sustainable energy solutions, demand for advanced materials like those used in new energy power batteries is skyrocketing. The Guizhou project's focus on producing these materials positions it to meet growing global demand, particularly as industries and governments worldwide strive to reduce carbon emissions and transition to cleaner energy resources.

The project is located in Zhijin county, which has coal reserves with estimated reserves of 15.18 billion tons, accounting for 20 percent of the province's total. Phosphate reserves amount to 3.5 billion tons, ranking among the top in the province.

In 2024, Zhijin is expected to achieve an industrial output value of approximately 12.7 billion yuan. The leading industries — coal-phosphate chemicals and modern energy — are expected to generate about 11.8 billion yuan, accounting for some 92.9 percent of the county's total industrial output value above a designated scale.

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A conference to promote the cross-border use of the renminbi is held in Lusaka, Zambia, in September 2023. PENG LIJUN / XINHUA

Briefly

Chinese mainland shares close mixed

Chinese mainland shares closed mixed on Tuesday, with the benchmark Shanghai Composite Index down 0.29 percent to 2,802.98 points. The Shenzhen Component Index closed 1.17 percent higher at 8,268.05 points. Combined share turnover covered by the two indices stood at 580.6 billion yuan (\$81.52 billion), down from 705.73 billion yuan recorded on the previous trading day. Banking and insurance-related shares as well as the oil and gas exploitation sectors suffered major losses. The ChiNext Index, tracking China's Nasdaq-style board of growth enterprises, gained 1.26 percent to close at 1,556.32 points on Tuesday.

BYD leads Israel's electric car sales

Chinese auto giant BYD sold the highest number of electric cars in Israel from January to August, totaling 12,890 units, according to figures released by the Israel Vehicle Importers Association. BYD's

top sellers in Israel during the period were the Atto 3 crossover, Dolphin hatchback, and Seal fast-back sedan. Meanwhile, BYD ranked fifth in overall vehicle sales in Israel, which includes both gasoline and electric cars. In the first eight months of the year, Chinese brands accounted for 68.3 percent of Israel's electric car sales, totaling 33,753 units.

Renminbi weakens against greenback

The central parity rate of the Chinese currency renminbi, or the yuan, weakened 85 pips to 7.1112 against the US dollar on Tuesday, said the China Foreign Exchange Trade System. In China's spot foreign exchange market, the yuan is allowed to rise or fall by 2 percent from the central parity rate each trading day. The central parity rate of the yuan against the greenback is based on a weighted average of prices offered by market makers before the opening of the interbank market each business day.

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