

BUSINESS

Bank of Communications deepening ties with tech firms

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Bank of Communications Co Ltd is deepening cooperation with technology companies by providing them with full life cycle financial services covering investment, financing, initial public offerings, mergers and acquisitions, and wealth management to take advantage of the launch of the Nasdaq-style STAR Market.

About 37 percent of China's unicorn companies, tech startups valued at over \$1 billion, are located in the Yangtze River Delta region, a major origin for technological innovation.

As one of the country's largest

State-owned commercial lenders by assets, Bank of Communications has supported the landing of more than 280 financial technology projects in the region, bank Executive Vice-President Lyu Jiajin said at a news conference in Beijing on Thursday.

The bank's subsidiaries, BOCOM International Holdings Company Ltd and Bank of Communications International Trust Co Ltd, jointly set up in April a private equity fund focusing on investment in science and technological innovation.

The fund will invest in technology innovation enterprises with a high potential for growth and is expected to reach nearly 1 billion yuan (\$140 million) by the end of this year. Four

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projects have been approved for investment covering the key fields of database, cloud computing, chip design and biopharmaceuticals, said Lyu.

The fund entered into a cooperation agreement with 10 investment institutions on Sept 3. To enlarge the scope of the fund, the subsidiaries have joined hands with BOCOM branches in Jiangsu province,

Chongqing municipality, and Shenzhen, Guangdong province, to initiate the establishment of regional sub-funds worth a total of 400 million yuan.

The bank is also collaborating with innovative industrial parks along with economic and technological development zones to raise money through bonds issued by companies registered in those places.

China is pushing forward the integration of the Yangtze River Delta to build the region into an example of high-quality development.

Lyu noted that integrated regional development will bring new opportunities to the financial sector by promoting financial innovation in the region's free trade zones,

improve the quality and efficiency of cross-border financial services, and expand the global financial markets business.

It will also foster a positive environment for technology innovation, which is key in extending the supply and value chain of the fintech industry, and promote a deeper integration between finance and technology, he added.

At the end of June, BOCOM's total financing in the Yangtze River Delta region amounted to nearly 2 trillion yuan, accounting for more than 30 percent of the total financing of the bank and its subsidiaries.

BOCOM broke down the geographical barriers between its head office and branches, as well as

among all of its branches in this region, and launched regionally integrated customer marketing and management services to ensure a smooth flow of business and capital, said He Jing, deputy general manager of the financial department at Shanghai Pharmaceuticals Holding Co Ltd.

Listed on the stock exchanges in Shanghai and Hong Kong, the company provides leading healthcare services in research and development, manufacturing, distribution and retail. Its largest amount of bank loans came from BOCOM.

In the first half of this year, the net profit attributable to equity holders of the company increased by 12.45 percent year-on-year to 2.29 billion yuan.

What's news



GOVT AND POLICIES

China's central bank injects liquidity

The People's Bank of China, the nation's central bank, pumped 120 billion yuan (\$16.94 billion) into the financial system on Monday, according to the bank's latest statement. The central bank injected 120 billion yuan into the market through seven-day reverse repos at an interest rate of 2.55 percent, with 176.5 billion yuan of reverse repos maturing. The move aimed to offset the impact of reverse repos set to expire in the near future, according to the 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.



COMPANIES AND MARKETS

Bond Connect program sees more trading

Trading volume under China's Bond Connect program in August reached 338.6 billion yuan (\$47.8 billion), according to the China Foreign Exchange Trade System. The reading, up 68.5 percent month-on-month, broke record highs in monthly trading volume, the CFETS noted in its monthly report for the program. The program saw a total of 3,338 trade tickets, with an average daily turnover at 15.39 billion yuan last month, the report showed. In breakdown, policy financial bonds accounted for 55.7 percent of the total trading volume in August to 188.6 billion yuan,

while Chinese government bonds contributed 97.8 billion yuan, 28.9 percent of the total monthly trading volume.

Pudong airport's 3rd phase close to wrap up

The more than three-year-long expansion of the third phase of Shanghai Pudong International Airport will wrap up on Sept 16, when a 620,000-square-meter single building satellite hall — the world's largest — is going to enter into service. After the expansion, the two airports will operate four terminals, one satellite hall, six runways, five cargo areas and a total of 435 parking stands, capable of receiving 120 million passenger trips and 5.2 million metric tons of cargo per year, said Xie Feng, head of Shanghai Transport Commission.

Building materials companies' results up

The output of China's building materials sector expanded steadily in the first seven months, official data showed. From January to July, major building materials companies all posted a rise in their output. The output of cement and flat glass registered a year-on-year growth of 7.2 percent and 7 percent, respectively, according to the National Development and Reform Commission. The data came as the property sector, a major consumer of cement and flat glass, saw growing investment in the first seven months. China's investment in property development grew 10.6 percent year-on-year in the first seven months of 2019 to 7.28 trillion yuan (\$1.04 trillion).

'New third board' firms revenue up in first half

China's National Equities Exchange and Quotations, also known as the "new third board," saw its revenue rise by 6.82 percent in the first half of this year. As of Aug 30, a total of 9,024 firms listed on the board had released their semiannual reports, the Shanghai Securities News reported. Their total revenue in the first half stood at 851.78 billion yuan

Spirited promotion



Employees from beverage companies demonstrate their products during the ninth China (Guizhou) International Alcoholic Beverages Expo in Guiyang, capital of Guizhou province, on Monday. YANG JUN / CHINA DAILY

(\$119.8 billion), a rise of 6.82 percent compared with the same period last year. During the same period, net profit of listed firms came in at 37.4 billion yuan, down by 4.75 percent and narrowing from a 20.63-percent drop in 2018.

Mobile game developers gain more from overseas

Overseas markets have become increasingly important to Chinese mobile games developers as they account for a growing share of the industry's revenue, a research report showed. In 2018, the revenue of China's mobile gaming industry from overseas markets totaled 42.12 billion yuan (\$5.94 billion), up 30.8 percent year-on-year, according to iResearch, a market research company. Over-

seas markets made up 25.4 percent of the total revenue for China's mobile gaming industry, rising by 3.1 percentage points compared with 2017, the report said. Brazil was among the regions that saw the biggest increase by the number of newly launched Chinese mobile games during the period.

CMI delivers first polar cruise to SunStone

China Merchants Industry Holdings Co (CMI), the marine and offshore manufacturing arm of State-owned China Merchants Group, delivered the first polar cruise foray to its shipowner — the Miami-based SunStone Ships Inc in its production base in Haimen, eastern China's Jiangsu province. This is a part of 10-cruise ship deal for polar expedi-

tions between the Chinese shipbuilder and the US company. The 104.4-meter long vessel is 18.4 meters at the beam. It can operate at a speed of 16.3 knots.

NEV manufacturers see sluggish H1 results

China's new energy carmakers had a tough first half of this year as shrinking government subsidies and rising competition weighed on sales. Only three automobile companies with new energy vehicle businesses saw net profit rise in the first half, while most firms saw a slump in profits as sales missed expectations. Changan Automobile, for example, saw net profits plummet nearly 240 percent year-on-year, while its midyear sales of NEVs hit only

38 percent of its annual target. Lifan, another carmaker with NEV businesses, reported losses of some 860 percent in the first half, with a major setback in NEV sales.



AROUND THE WORLD

ADB workshop to help develop Bangladesh

The Asian Development Bank in collaboration with the Bangladesh Investment Development Authority on Sunday conducted a consultation workshop in Dhaka to seek stakeholders' feedback on the "Northeast Bangladesh Economic Corridor Development". The People's Republic of China Poverty Reduction and Regional Cooperation Fund funded the workshop. Speaking at the workshop, Manmohan Parkash, the country director for Bangladesh Resident Mission of the ADB, highlighted the advantages of the northeast region of Bangladesh with its rich resources and strategic location.

Japan revises GDP figure for April-June

Japan's economic growth was downwardly revised from an initial annualized real 1.8 percent in the April-June quarter to 1.3 percent in the period, the government said in a report on Monday. According to the Cabinet Office, its assessment remains, however, that the economy is recovering at a moderate pace. The office said the growth in real GDP equates to a 0.3 percent increase from the previous quarter. From an initial reading of 1.5 percent, capital expenditure was downwardly revised to just 0.2 percent, while private consumption, which accounts for more than half of Japan's economy, was left unchanged from the previous quarter at 0.6 percent, the Cabinet Office said.

CHINA DAILY — AGENCIES

China-Arab States Expo unlocks potential for win-win cooperation

YINCHUAN — The rising popularity of a water-saving irrigation system in Oman and Egypt, designed by Northwest China's Ningxia University, serves as a witness to the China-Arab win-win cooperation in science and technology.

Comprised of underground pipes, wind and solar power equipment and mobile intelligent control devices, the system enables water to spread to targeted spots more accurately compared with many surface drip irrigation systems currently deployed in Arab countries.

"It is more water-efficient and can be controlled remotely with just a smartphone," said Sun Zhaojun, dean of the school of resources and environment at Ningxia University and head of a China-Arab joint laboratory on resources and environmental governance in arid areas. "It is labor-saving, cost-effective and very popular in Arab countries."

The third China-Arab States Expo held in 2017 saw the signing of a technology transfer cooperation agreement between Ningxia University and a university in Oman. So far, more than a dozen sets of such

water-saving irrigation equipment have been exported from China to Oman.

It was followed by similar cooperation on water-saving irrigation technology between China and Egypt, with an agreement signed during the fourth China-Arab States Expo that ran from Thursday to Sunday.

Ahmed Galal, dean of Faculty of Agriculture at Ain Shams University in Egypt, said the Chinese water-saving irrigation system is "very impressive, particularly because the system can be used in desert areas" that lack electricity and water.

Welcoming the cooperation, Galal said the Egyptian government is seeking to replace outdated traditional irrigation methods with modern ones to save irrigation water.

This is only a part of broader China-Arab science and technology cooperation for mutual benefit highlighted at the China-Arab States Expo, which, held biennially since 2013, has become an important platform for China and the Arab states to jointly pursue Belt and Road cooperation.

"This (the cooperation) is in line with the interests of both sides. It helps open up new markets for Chinese commodities and also contributes to the implementation of Arab states' own development plans."

Abdullah Ahmed Al Saleh, undersecretary for Foreign Trade and Industry of the Ministry of Economy of the United Arab Emirates

High-tech cooperation

This year's expo featured a number of exhibitions displaying high-tech innovations in the fields of artificial intelligence, aerospace, new energy and Internet Plus healthcare to showcase the latest achievements in China-Arab sci-

tech cooperation.

Among the exhibitors at the event was Huawei, which presented a series of equipment with 5G technology, including security robots.

Abdullah Ahmed Al Saleh, undersecretary for Foreign Trade and Industry of the Ministry of Economy of the United Arab Emirates, said during the expo that there is huge potential for China and Arab nations to cooperate in science and technology, with the rapid development of state-of-the-art technologies such as 5G, AI, blockchain and the internet of things.

"This is in line with the interests of both sides," he added. "It helps open up new markets for Chinese commodities and also contributes to the implementation of Arab states' own development plans."

Notable progress has been observed in the development and application of AI and 5G technology in recent years in China, which boasted a mobile internet population of more than 840 million as of June 2019.

In 2018, China's digital economy totaled 31.3 trillion yuan (\$4.4 tril-

lion), accounting for 34.8 percent of its GDP, according to the latest statistical report on China's internet development.

Khaled Hanafy, secretary-general of the Union of Arab Chambers, expressed the hope that Arab countries would take advantage of the fourth industrial revolution to cooperate with China in more areas than just trade, such as IoT, 3D printing and Internet Plus.

"The close cooperation between China and Arab states in science and technology will contribute to the all-round development of both sides," Hanafy said.

Mutual benefit

China-Arab economic and trade cooperation has gained steam in recent years. Last year, the bilateral trade volume reached \$244.3 billion, jumping 28 percent year-on-year.

The China-Arab States Technology Transfer Center was inaugurated at the 2015 expo to facilitate technology cooperation.

The Ningxia-based organization over the past four years has formed eight sub-centers in Arab countries,

including Saudi Arabia, the United Arab Emirates, Jordan and Morocco, according to Guo Bingchen, head of the sci-tech department of the Ningxia regional government.

The technology transfer network has played a "pivotal role" in training personnel and matching technology with needs from both sides, Guo said.

A report unveiled by Xinhua Silk Road, a brand of the China Economic Information Service, at the expo identifies the great potential for China-Arab cooperation in areas of infrastructure construction, energy, international shipping, 5G and AI.

"Effective policy communication, sound economic and trade relations and strong economic complementarity are favorable conditions for deepening China-Arab third market cooperation," it says.

Addressing Thursday's opening ceremony of the expo, Cao Jianming, vice-chairman of the Standing Committee of the National People's Congress, called for concerted efforts from both sides to pursue Belt and Road cooperation to benefit more people.

XINHUA