



Central bank injects more liquidity

Growth of broad money supply was 8.2% in August, down from July

By CHEN JIA
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China's central bank injected further liquidity into the financial sector on Monday, a measure to ease investors' concerns about economic downside risks in the fourth quarter due to uncertainties arising from escalating Sino-US trade tensions, and to boost investment.

A total of 265 billion yuan (\$38.6 billion) of funds was released through the medium-term lending facility (MLF), said the People's Bank of China, the central bank. Financial institutions can borrow the money, using securities as collateral, at a 3.3 percent interest rate for one year.

It followed last week's injection of 330 billion yuan into the market via reverse repos, an open market operation.

Signals showed that policymakers have changed their monetary policy status in the second half, as a too-tight financing environment after strengthened regulation may hurt the market's investment initiative, said experts.

Some of them expected a further cut in the reserve requirement ratio, or the cash amount that should be deposited in financial institutions, may take effect after the US Federal Reserve's possible rate hike next week.

"The August (economic) activity data was generally soft, though not as weak as July's. It will likely keep policymakers on high alert and encourage a continued loosening bias," said Song Yu, an economist with Beijing Gao Hua Securities Co Ltd, Goldman Sachs' joint venture in China.

"This bias has shown its effects in the stabilization of total social financing

growth in July and August, but not yet enough to offset weaker export growth and reaccelerate domestic activity."

The past weekend's media reports were full of discussion on measures to improve China's domestic structural reforms and to ease pressure on the external environment, when many officials and senior experts gathered in Beijing and shared various opinions at a high-level forum.

Some economists expressed concern about the faster-than-expected retreat of broad money supply, or M2.

According to data from the central bank, the growth of broad money supply was 8.2 percent in August, down from 8.5 percent in July, almost back to its lowest level since 1986.

The recent weaker-than-expected financial data showed gloomy demand and private investment deterioration, said Zheng Xinli, former deputy director of the Communist Party of China Central Committee's Policy Research Office.

Experts say the relatively vague policy direction for the coming months has fueled the market's confusion and weakened investors' confidence on the country's economic outlook, especially when uncertainties are rising amid escalating trade tensions.

JPMorgan's latest forecast for the next year's economic growth may slow to 6.2 percent, compared with this year's 6.6 percent, Zhu Hai-bin, the US financial group's chief economist in China, said on Monday in Beijing.

The annual GDP target in 2019 is likely to slip to 6 to 6.5 percent, compared with this year's "around 6.5 percent" written in the government's annual work report.

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Song Yu, economist with Beijing Gao Hua Securities Co Ltd

Xiamen defies house price trend in August

By REN XIAOJIN
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Only one of the 70 major cities in China saw a decline in its housing price month-on-month in August, according to the National Bureau of Statistics, with experts predicting that the authorities would introduce further curbs to rein in price rises.

The price of newly built commercial property in Xiamen dropped by an average of 0.1 percent compared to July, while the market in Beijing remained stable with the average price unchanged from the previous month.

According to the NBS, the average price of new property

rose in Shanghai by 0.1 percent and increased by 0.9 percent in Guangzhou in August.

Liu Jianwei, a senior statistician at the NBS, said local governments had continuously carried out measures to control the housing price and sought to create a healthy and stable market.

"The price of newly built commercial residential properties in the four first-tier cities increased by 0.3 percent from the previous month, and the growth rate increased slightly by 0.1 percentage point," he said.

"The average price from January to August has shown a 0.1 percent yearly decrease, while in the same period last

year the average price has soared by 14.6 percent."

In 35 second and third-tier cities, new property prices rose by an average of 2 percent compared to last month, with the growth rate rising 0.5 percentage point from July, he said.

Liu said new property has become more expensive in 12 cities from July, and Wuxi has seen the highest growth of 3.4 percent.

Yan Yuejin, research director with the E-house China R&D Institute, predicted the property market will continue to heat up as a growing number of cities showed no sign of cooling down in August.

"The data in August indi-

cated there will be relative strong drive for prices to rise in the following months in 2018, and such a trend will encourage local authorities to push forward with more curbs," he said.

Zhang Dawei, chief analyst at Centaline Property Agency Ltd, also predicted that house prices will remain at a high level until October.

Xie Yifeng, president of the Realty Association of Asia-Pacific Cities, showed a more negative view toward the possibility of a price drop in the near future, but he also predicted tightening policies and regulation will be stepped up.

"A number of cities have announced new policies to

Tech



A visitor to the 2018 World Artificial Intelligence Conference, which opened on Monday in Shanghai, plays Go with a robot.

TANG YANJUN / CHINA NEWS SERVICE

Shanghai sets sights high for AI

By HE WEI in Shanghai
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Shanghai is looking to build itself into a national hub for artificial intelligence and will sharpen its focus on the sector's basic research, pilot zones, policies and talents to bolster that goal.

The announcement was made by Li Qiang, Shanghai's Party secretary, on Monday, when he addressed the 2018 World Artificial Intelligence Conference that brought together leading academicians and entrepreneurs from home and abroad in the AI realm.

The city should focus on basic AI research in brain science and general intelligence, while accelerating breakthroughs in core technologies such as intelligent sensing, Li said.

This is buoyed by the city's growing number of universities and research institutes that have flocked to establish AI research labs and recruited a batch of AI talents in areas like integrated circuits, computer vision, and brain engineering.

Another area where Shanghai enjoys unique advantages is the establishment of pilot zones, Li noted, where AI-powered applications in manufacturing, finance, healthcare, autonomous driving and robots are encouraged to test the waters in the city.

These would become viable thanks to a variety of industry-specific application scenarios in Shanghai and the surrounding Yangtze River Delta region, China's most affluent area, the mines of data in traffic, goods, capital to inform and train AI algo-

What they say



Jack Ma, chairman of Alibaba Group Holding Ltd.

AI does not simply bring about technological changes, but changes in the productive forces, relations of production, and modes of production. Such changes are far beyond our imagination and data and technology will change all human life. What we need to worry about is not that machine intelligence will outperform human intelligence, but the stagnancy of human wisdom.



Pony Ma, chairman of Tencent Holdings Ltd.

Artificial Intelligence technology is an international and interdisciplinary engineering on scientific exploration. None of the enterprises, cities, and countries can refuse to be part of the AI "Olympics" and cannot develop AI alone. The development of AI technology is entering into a "great social" era, and AI plays a critical role in people-product and people-service connections.



Robin Li, chairman of Baidu Inc.

AI enterprises need to realize AI thinking, AI capacity, and AI ethics. Companies able to solve social problems with AI technologies are the most promising ones because AI can help make society better by providing ways of solving social problems.

HE QI AND HE WEI

rithms, as well as the sound IT infrastructures that support the new generation of mobile communications and internet of things technologies.

To shore up that ambition, the municipality vowed to address new challenges deriving from AI, including research on relevant local regulations, tackling ethical issues, ramping up intellectual property protection and enhancing AI-related technical standards.

Li also promised to take further steps to create a favorable environment for talents and encourage some of the world-leading AI figures to set foot in Shanghai.

His remarks were echoed by a 22-point circular issued by the local authorities on the same day, in which Shanghai

planned to construct 60 AI application scenarios and over 100 AI demonstration projects. The directives also proposed the establishment of three to four towns and five pilot zones featuring AI, with no timeline being disclosed.

Shanghai's emphasis on AI has pulled in tech majors from Alibaba Group Holding Ltd to Tencent Holdings Ltd to bring more AI-focused businesses to the city.

"The matured industrial chain of smart chips, software and hardware services, along with the ability to attract technology talents have equipped Shanghai with an exceptional advantage in AI development," said Pony Ma, chairman of Tencent, whose computer vision research arm Youtu Lab

is based in Shanghai.

Microsoft Corp is looking at setting up an arm of its Asian research house in Shanghai this year, fueling the city's ambition to seek digital upgrading and develop artificial intelligence talents, said the company's executive vice-president Harry Shum.

"Shanghai is home to many leading companies that leverage Microsoft's cloud computing offerings and AI technologies," he said. "We have carried out extensive collaboration with top research institutions and startup firms in the city, and we strive to create an open ecosystem that helps drive innovation."

He Qi contributed to this story.

Firms use IoT to ramp up added value

By SHI JING
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Chinese companies and institutions are accelerating their application of internet of things technologies to improve their efficiency and provide added-value to their customers.

A total of 526 companies from China and overseas took part in the four-day World Internet of Things Exposition in Wuxi, Jiangsu province.

Domestic industry giants such as home appliance company Haier and telecom firm China Tower presented their latest applications related to communication, manufacturing, smart life, transportation and urban management.

An intelligent lamp post combining the functions of illumination, meteorological monitoring, environment monitoring and video surveillance was the key IoT application demonstrated by China Tower at the exhibition.

Chen Sen, deputy general manager of the marketing department of China Tower, said it started to install such lamps last year in Shuhe, Yunnan province, a famous tourist destination. So far 247 lamps are in place, involving a total investment of 28 million yuan (\$4 million).

"We can collect, store, distribute and apply the information using the lamp and provide fundamental services to the local government to better develop the local travel industry. We are able to save up to 8.7 million yuan for the local government by avoiding redundant construction," he said.

526

number of companies that took part in the World Internet of Things Exposition

Haier demonstrated the industrial IoT platform COSMOPlat which it has developed. Guan Xiangzhen, director of intelligent manufacturing services at Haier Institute of Industrial Intelligence, said the platform helps Haier to differentiate itself from its peers in the European and US markets since Haier involves users in the entire life cycle of the product.

By applying IoT technology, each home appliance device is connected to Haier's system and its information will be uploaded to the cloud. Haier will thus collect the information and discover the similarities in their use. In this sense, Haier will be able to carry out large-scale but customized production, said Guan.

Wuxi-based garment and textile giant Hodo Group has also applied IoT technology at its 1,700 brick-and-mortar menswear stores across China. By installing heat-imaging sensors and a video surveillance system, the management team will be able to monitor the sales, shop display and customer flow in real time, said Tang Hengyao, marketing manager of Hodo IoT Technology Co Ltd.

Leading global biopharmaceutical company AstraZeneca demonstrated its citywide chest pain center in cooperation with the local government of Wuxi, which was the first of its kind in the country.



Property models on display at an industry expo in Huai'an, Jiangsu province, over the weekend. ZHOU CHANGGUO / FOR CHINA DAILY

attract professionals to settle down, which stimulated demand," he said. "Also some cities have adopted policies to block people from buying houses, making them rush to

buy in case they won't be able to do so in the future."

"Also, demand for newly established property has exceeded supply, adding extra heat to the market," he said.