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China a pioneer in AI innovation

Google CEO: We want to work alongside the world's best talents

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Ideas and technologies created in China will have a bigger impact as artificial intelligence increasingly reshapes people's work and lives, according to Google CEO Sundar Pichai.

Pichai's comments came a day after Apple Inc CEO Tim Cook announced plans to partner with China's Tsinghua University to create a joint research center for AI-related technologies.

The recognition from senior executives of two of the world's most valuable companies highlights the efforts being made by China into its transformation as an innovation pioneer from an innovation sponge.

"When it comes to AI, we want to work alongside the world's best talents. That is why we opened an AI research center in Beijing last year," said Pichai at the China Development Forum 2018 in Beijing on Monday.

"Openness will allow us to scale the impact of AI. No one company ... will be able to do it alone. Everyone has a role to play," he said.

According to Pichai, China has already played a big part in promoting the development of AI and Chinese scientists have done a good job in research as they contribute to a significant number of papers in scientific journals.

The United States tech giant announced in December that it would establish a research center in Beijing, the first of its kind in Asia, to focus on basic AI research. According to Pichai, the center already has a team of researchers.

Google has been stepping up investment in China, one of the world's most dynamic tech landscapes. In January, it opened a new office in Shenzhen, Guangdong province, which functions as a service center to deepen its cooperation with Chinese hardware makers.

Pichai's praise for China's talents came a day after Cook made similar comments at the same forum.

Cook said it was China's huge manufacturing capacity that lured him to bring Apple's business to the nation. But now Chinese products are also known for its high quality and the country is playing a leading role in innovation.

As the nation steps up efforts to implement the "Made in China 2025" strategy, the world is witnessing local talents and professionals' research and development capabilities, Cook added.

According to Cook, the joint research center with Tsinghua University will "focus on advanced technologies, including machine learning, computer vision, augmented reality and wireless technologies."

China has for the first time surpassed the United States in equity funding to AI startups in 2017, according to a report released by US-based venture capital database CB Insights.

Last year, startups worldwide raised more than $15.2 billion, up by 141 percent from 2016. China's AI startups accounted for 48 percent of the global funding, up from 11.6 percent in 2016. The US was ranked second with 38 percent, the report added.

Google CEO Sundar Pichai (left) and Apple CEO Tim Cook speak at the China Development Forum 2018 in Beijing.
FENG YONGBIN / CHINA DAILY

A worker checks the quality of newly made cars at an assembly line of SAIC Motor in Qingdao, East China's Shandong province.
YU FANGPING / FOR CHINA DAILY

SAIC may set up car factory in Egypt

CAIRO — China's giant carmaker SAIC Motor is planning to set up a car manufacturing factory in Egypt, a top Egyptian official said on Sunday.

Egypt's Minister of Trade and Industry Tarek Kabil said in a statement that he reviewed with a visiting SAIC delegation the advantages and incentives provided by Egypt's newly approved investment law to encourage full car manufacturing, not just assembling parts, in Egypt.

"The ministry of trade and industry is ready to provide all support and assistance to help SAIC Motor enter the Egyptian market for auto manufacturing, especially in light of the state's current policy that targets boosting auto manufacturing and putting Egypt on the map of this industry," Kabil said.

The factory that SAIC seeks to build in Egypt aims to not only meet the needs of the Egyptian market, but also become a central point of SAIC exports to Arab and African states that have free trade agreements with Egypt.

Yang Xiaodong, executive director of SAIC Motor's international department, said SAIC desires to build a factory in Egypt because it believes in the strength of the Egyptian market as one of the most promising in the Middle East and Africa.

He noted that his firm is currently communicating with Egypt's largest automobile companies to plan distribution of SAIC's products in the most populous Arab country.

SAIC is China's biggest carmaker in terms of sales, as it accounts for 23.3 percent of the car sales in the Chinese market, selling about 6.9 million vehicles in 2017 alone.

Sino-Egyptian ties have been elevated to the level of a comprehensive strategic partnership with growing economic and cultural cooperation in light of China's Belt and Road Initiative for multinational economic and trade cooperation.

The initiative was proposed by China in 2013 with an aim to build a trade and infrastructure network by connecting China with Europe and Africa along ancient trade routes.

XINHUA

Vale sees silver lining in nation's cleanup efforts

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China's efforts to reduce pollution are expected to boost demand for Vale's high-quality iron ore, while the Brazilian miner will continuously diversify its business, said Fabio Schvartsman, Vale's chief executive officer.

The nation's continuous efforts to clean up its skies and improve productivity by shutting down smaller polluting steel mills have boosted demand for high-grade iron ore, which represents more opportunities for suppliers of better quality ore like Vale, he said.

"Vale has a very large and very successful iron ore business and the advantage that the Brazilian firm has to offer is the higher proportion of high-quality iron ore, which is very important for China," said Schvartsman.

"Vale is committed to serving customers in China, the most important country and client for us, in the best possible way and the current challenge and momentum is extremely positive for those in the iron ore business," he said.

The Brazilian miner has developed a brand-new iron ore mine in Carajas, Brazil, that will bring more high-quality ore to the market.

That said, the company is also planning to reduce its excessive dependence on ore exports for growth and would over the long term reduce the share of its overall earnings from iron ore exports.

"We plan to continue to grow in iron ore but will reduce the dependency on iron ore, and make sure the base metals start performing better, especially nickel, copper and cobalt, to have the Carajas unit contribute more to our overall revenues and performance," said Schvartsman.

That's also because of China and its big strides in electric vehicles and the consequent demand for batteries, said Schvartsman, adding that nickel, cobalt and copper production will get a boost from the growth in electric vehicles.

Heavy trucks are used to mine for iron ore in Vale's Brucutu mine in Barao dos Cocais, Minas Gerais state, Brazil. BLOOMBERG

Vale said that it will continue to blend products at ports in China for making required and speedy deliveries to steel mills and also to build up inventories.

The firm is also starting to sell its products in renminbi, making it the only global iron ore company that is selling in the Chinese currency.

"By doing that, we are opening the door for the smaller customers in China that cannot have access to foreign currency to buy iron ore," he said.

According to Schvartsman, the Belt and Road Initiative is a very clever way of using the installed capacity in China and it represents sustainable demand for the likes of Vale.

"We embrace it, actually we are very happy that China initiated that project," he said.

Sinotruk delivers 34 street washer vehicles to HKSAR

By JING SHUIYU
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Commercial vehicle manufacturer China National Heavy Duty Truck Group Corp, or Sinotruk, delivered the first batch of 34 new street washer vehicles to the Hong Kong Special Administrative Region government on Monday.

The delivery marked Sinotruk's important step in gaining a toehold in the competitive Hong Kong market, which has stricter automotive fuel and emissions standards.

Wang Bozhi, chairman of the Jinan-based company, said the significant move laid a foundation for the country's heavy truck producers to expand their businesses in developed markets.

It also underscores mainland manufacturers' growing influence in the overseas markets, Wang said during the delivery ceremony.

The vehicles meet Euro 6 emission limits, the highest emissions standard imposed by the European Union, with the aim of improving air quality.

Patrick Ho, general manager of Regal Motors Ltd, a Sinotruk distributor in Hong Kong, said government vehicle procurements are very stringent in the SAR and most of the recent orders have been won by Japanese or European brands.

Sinotruk won the bid this time due to its excellent product quality, superior performance, cost efficiency, and user-friendly design, Ho said.

For years, Sinotruk has been adjusting its product mix, in an attempt to expand its high-end products in developed economies such as Europe and the United States, Wang said.

Since launching its internationalization strategy in 2004, the company has sold its products to more than 100 countries and regions around the world, while building 15 assembly plants abroad, including in Nigeria, Ethiopia and Vietnam.

Lan Junjie, general manager of the international department at Sinotruk, said there are several challenging sales assignments this year.

"Part of this year's focus is to stabilize the sales volume in the key markets in Africa and Southeast Asia, and to restore the markets like Russia, Algeria and Peru, where Sinotruk used to have solid sales," Lan said.

As the Belt and Road Initiative advances, the company is exploring the possibilities of tapping the market in Eastern Europe, as part of its strategy to fortify the high-end markets, Lan added.

According to Sinotruk's overseas development plan, its annual sales of medium and heavy duty trucks in overseas markets are forecast to reach 60,000 vehicles by 2020, accounting for 35 percent of the company's total sales.

Value of top 100 Chinese brands surges in new ranking

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Brand value of Chinese firms, especially those from the technology, education and logistics sectors, have seen a sharp surge in the latest ranking released on Monday.

The brand value of the top 100 Chinese brands this year achieved a record growth of 23 percent from $557.1 billion a year ago to $683.9 billion in 2018, representing the greatest annual growth since WPP and Kantar Millward Brown's 2018 BrandZ™ Top 100 Most Valuable Chinese Brands ranking was first released in 2014.

Logistics brands entered the BrandZ China rankings for the first time as a category, with the largest SF Express coming in at No 11, reflecting the rise of e-commerce and the increase in package delivery volumes in the country.

"More sophisticated in their purchasing decisions, consumers are responding to brands that grab their attention and meet their needs in relevant ways with products and services that are both innovative and different," said David Roth, CEO for Europe, the Middle East and Africa and Asia at The Store WPP, the group's global retail practice.

The game is changing for brands that want to compete successfully in China. They are expected to pursue a higher purpose, one that improves the lives of the Chinese people, helps drive greater economic equality and strengthens the nation, he added.

According to the report, China has become one of the most competitive markets in the world, with market-driven brands seeing a phenomenal increase of 271 percent in value over the past five years. The BrandZ China Top 100 has grown by 80 percent over the past five years, outpacing the BrandZ Global Top 100's 27 percent growth.

The competitive landscape for Chinese brands meant some brands were unable to maintain their rankings within the Top 100. In China, 28 brands had exited the BrandZ China Top 100 rankings over the past five years, versus 17 from the Global Top 100, it said.

Technology giant Tencent has retained the coveted title of China's most valuable brand for the fourth consecutive year, achieving a brand value of $132.2 billion, a 25 percent year-on-year increase.

"Tencent has benefitted greatly from the rapid development and massive opportunities of China's digitalization," said Seng Yee Lau, chairman of Tencent Advertising.

"Technology has become an integral part of our everyday lives. Now the final piece of the jigsaw is ready to be put into place and a completely digital China will emerge," Lau said.

China's largest e-commerce company Alibaba has continued to grow at an exceptional rate, growing 53 percent year-on-year to achieve a brand value of $88.6 billion.

The BrandZ report combines financial data with consumer opinions gathered from interviews with over 400,000 Chinese consumers to give a dollar value to how brands power business.