

INSIGHTS

China's Economic Recovery Spurs Positive Growth Forecasts

Voice of the World

By Staff Reporters

Chinese leaders decided the priorities for the economic work in 2024 at the annual Central Economic Work Conference held in Beijing last week.

It was noted at the meeting that China's economy has achieved recovery, with progress made in high-quality development in 2023. Projections from international organizations also validated the resilience and positive trajectory of the Chinese economy.

The International Monetary Fund (IMF) expects the Chinese economy "to meet the government's 2023 growth target of around 5 percent, and this reflects the post-COVID recovery," IMF spokesperson Julie Kozack said at a press briefing.

The forecasts by the Asian Development Bank (ADB) and the World Bank are slightly higher. On December 13, the ADB revised upward its 2023 growth estimate for China to 5.2 percent from 4.9 percent.

The World Bank estimates that China's economy would grow 5.2 percent in 2023, propelled by gradual recovery of consumer sentiment and poli-



A view of Beijing's CBD area. (PHOTO: VCG)

cy stimulus.

As global growth is projected to remain tepid at 2.4 percent next year, the world's second-largest economy is expected to expand by 4.5 percent in 2024, according to the latest China Economic Update released by the World Bank on December 14.

Investors are closely watching for clues to next year's policy and reform agenda as China's economy shows

strong post-pandemic recovery. J.P.Morgan Private Bankers posted an article on its website in December, titled "Where is the Chinese economy heading in 2024?" It said for investors, "policies encouraging innovation and supporting the digital economy bolster our positive view on large cap China internet stocks, especially after the recent correction."

Efforts to attract foreign invest-

ment are evident. The government is becoming more open to foreign concerns, providing greater access to officials, according to Julian Fisher, chair of the British Chamber of Commerce in China.

Last month, the government highlighted issues impeding foreign business, such as regional laws that impose longer licensing procedures on foreign businesses compared with domestic companies, according to *Financial Times*.

"That really has shifted, this year has seen a lot more action," Fisher told *Financial Times*. He said one example was China's recent acceptance of some UK vocational education qualifications after a specific British request.

Looking ahead to 2024, PricewaterhouseCoopers China's senior economist G. Bin Zhao anticipated a pick-up in China's GDP growth. Zhao told *Forbes* that private sector investment is expected to rise from the previous year's low, and government measures aimed at supporting the economy are predicted to yield positive results.

As for stimulus, Zhao said China's annual budget deficit in 2023 estimated to be 3.8 percent of the GDP, was relatively low compared with the United States', leaving room to offset unexpected weakness in 2024.

Opinion

Barriers Against Green Development Won't Work

By GONG Qian

While China is becoming a major player in the global wind power industry, demonstrated by being capable of creating the most advanced world-class products, it has also faced its fair share of hurdles in this field.

The EU complaints of China's cost-effective wind turbines edging out some local players and distorting the European market are growing. In response, the EU has taken the same approach it took previously to the Chinese photovoltaic industry.

For example, in October, the EU called for an anti-subsidy investigation into wind turbines made in China. Yet such an artificial barrier would actually prevent the EU from achieving its goal of using wind energy as a major component of its green development transition.

On the one hand, with its low penetration, China's robust growth in the wind industry hasn't greatly benefited from the European market. Contrarily, China's wind industry grew out of domestic demand, raw materials advantages and an import substitution effort by the government, according to a report by Institute for Energy Economics and Financial Analysis. China's ample steel production, policy clarity, and home-grown supply chain have created a diverse market of large-scale offshore wind turbine choices.

Literally, the success of China's wind power industry is a result of early investment, tech innovation and favorable policies, not subsidies. For example, in 2003, the Chinese government launched a wind power concession to encourage Chinese companies to compete in the renewables space. Furthermore, some politician's argument of "anti-subsidy" won't hold up, as subsidies

are a widely used industrial policy tool in many countries. European countries like Germany and Spain were pioneers of renewable energy subsidies to help those industries at their inception, said Bloomberg.

On the other hand, the problems faced by the EU are not caused by China. The EU's wind industry is currently facing several challenges, due to high inflation rates and commodity prices, which heightened the prices of European turbines, resulting in a fall in turbine orders and new investments in wind projects, said *The Diplomat*. Furthermore, permitting backlogs of renewable energy projects also limits its manufacturing expansions, according to Reuters.

The EU is not going to launch a formal probe into China's wind industry-source as it lacks "very clear evidence" of unfair practices, an EU official was quoted as saying by Reuters. Meanwhile, EU commissioner for energy Kadri Simson acknowledged that the EU needs more turbines than it's able to produce through the end of the decade, said Bloomberg.

In this case, rather than putting up an artificial barrier, it is a sensible option for the EU to strengthen cooperation with China to speed up the development of its wind capacity, thus enabling it to reach the goals of its green development faster.

This year marks the 20th anniversary of the China-EU comprehensive strategic partnership. Both sides agreed to step up cooperation in such areas as green development and jointly respond to global challenges such as climate change. Therefore, deepening cooperation in the wind power industry is conducive to achieving mutual benefits and win-win results, improving the well-being of humanity.



The Pinghai bay offshore wind power project in Putian, southeast China's Fujian Province. (PHOTO: XINHUA)

EU Agrees on 'Historic' AI Act

Comment

By TANG Zhexiao

The world has its first comprehensive rules on the use of AI. This came after European Union lawmakers and member states reached a provisional agreement on regulating artificial intelligence on December 8.

According to the EU Council, technical work will continue in the coming weeks to finalize the regulation details, and it will not take effect until 2025 at the earliest.

The new rules established obligations for providers and users depending on the level of risk from artificial intelligence said the European Parliament. It includes safeguards on the use of AI

within the EU, including clear guardrails on its adoption by law enforcement agencies, consumers have been empowered to launch complaints against any perceived violations, as well as the additions to the initial proposal by the European Commission.

The European Commission proposed the first EU regulatory framework for AI in April 2021, which said that AI systems that could be used in different applications are analyzed and classified according to the risk they pose to users. Unacceptable risky AI systems such as real-time and remote biometric identification, and cognitive behavioral manipulation of people or specific vulnerable groups are considered a threat to people and will be banned.

Strong and comprehensive regulation from the EU could "set a powerful example for many governments consid-

ering regulation," according to Anu Bradford, a law professor with Columbia Law School who is an expert in digital regulation.

The agreement was described as "historic" by Thierry Breton, the European commissioner for the Internet market, noting it established clear rules for using AI. "The AI Act is much more than a rulebook — it's a launchpad for EU startups and researchers to lead the global AI race," Breton wrote on social media platform X, former Twitter.

Currently, countries including China, the U.S. and UK have proposed their AI regulatory initiatives. Other countries "may not copy every provision but will likely emulate many aspects of it," Bradford told *The Guardians*.

Others have worries and doubts about the agreement, thinking it is to be perfected.

China, Vietnam See New Chapter of Relations

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Cultural exchange

Cultural exchange between the two countries has also flourished. Vietnam's Ministry of Education will include Chinese as a compulsory course in the third and fourth grades of primary schools from

2024, becoming the fifth country in the world to include Chinese as a compulsory course in schools. Last year, China announced that it would provide Vietnam with no less than 1,000 Chinese government scholarships and no less than 1,000 scholarships for internation-

al Chinese language teachers in the next five years. This will help Vietnam train talented personnel and international Chinese language teachers, which will further promote China-Vietnam education cooperation, according to *China Youth Daily*.

In addition, more and more popular Chinese movies and TV dramas are being introduced into the Vietnam cultural market, being well received by Vietnamese people and promoting cultural exchanges between the two countries.

Southwestern Natural Frontier for Global Ecological Research

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The dynamic monitoring sample plots in the southwestern transect also include wildlife under key national protection endeavors.

"At present, a total of 45 kinds of national key protection wild plants have been found in the transect, among which there are four kinds of wild plants under national level-I protection; and 41 kinds of wild plants under national level-II protection, like *Alsophila costularis* and so on," said Li.

Meanwhile, the transect zone involves the habitats of Asian elephants, Yunnan golden monkeys, baiyaji chickadees, as well as Qian golden monkeys. All of them are rare wild animals that

have been put under protection a long time ago.

"In the future, we will conduct surveys and monitoring on a cyclical basis, with surveys every five years; on top of the existing arrangements, we also plan to add animal and microclimate monitoring, combining infrared cameras and small weather stations to monitor animal diversity and meteorological factors such as temperature, precipitation, and humidity in the sample site," said Su, adding that the monitoring of the southwestern transect is proposed to last more than 30 years.

High standard construction

It took Su Jianrong, director of the Institute of Highland Forest Sci-

ence at CAF, along with his team many years to construct this transect. "The establishment of ecosystem function sample zones like this can systematically monitor the overall pattern of ecosystem function changes, and reveal the mechanism of how an ecosystem functions."

"In order to ensure the long-term continuity of dynamic monitoring and long-term research on the samples collected in the transect, our institute has signed a 30-year agreement with 10 organizations for the co-building of dynamic monitoring samples," added Su.

The construction of the southwestern natural forest transect has high standards. These are in accordance with

the national forest ecological positioning research station sample construction standards, drawing on the technical specifications of the Smithsonian Tropical Research Institute Tropical Forest Science Research Center of the U.S. as references.

The transect's construction draws on a satellite positioning system to determine such elements as the slope, slope direction, concavity and elevation of the sample plots. Every 20 meters the transect builders installed fixed stakes in cement piles; and all woody plants whose diameter at breast height was greater than 1 cm were marked for positioning survey, which records their species name, height, exact coordinates.

Special TBM Aids Metal Mining

Hi-tech

By TANG Zhexiao

A tunnel boring machine (TBM) Jishi was put into use in northeast China's Anshan recently, marking the first time the country applied TBM in the underground mine construction. The TBM, also known as "mole", is the equipment used to excavate tunnels through hard rock, wet soil or sand which requires spe-

cialized technology. It is widely used in tunnel projects such as railways, hydro-power, transportation and subways.

As a type of full section hard rock TBM, Jishi has a diameter of 7.03 meters and a length of 188 meters, with a total weight of 1,200 tons and the advantages of fast excavation and high efficiency.

It can increase mine construction efficiency by more than three times compared with the traditional drilling method. By avoiding surface vibration and noise through non-blasting excavation, it is also environmentally-friendly.



The tunnel boring machine "Jishi" in Xi'an Iron Ore Mine, Anshan, Northeast China's Liaoning province. (PHOTO: ANSTEEL GROUP)