

INSIGHTS

Int'l Consumer Products Enjoy Shared Opportunities in China

Voice of the World

By TANG Zhexiao

Three years on, the China International Consumer Products Expo (CICPE) has become a window to showcase the country's massive market.

Concluding on April 15 in southern China's island province of Hainan, this year's expo showcased prominent features of green, healthy and smart consumption styles, attracting more than 50,000 purchasers and 320,000 visitors.

The event is an encouraging step of China's efforts to promote international trade and cross-border investment and share the country's huge market and business opportunities with the world, said Zhang Xiangchen, deputy director-general of the World Trade Organization.

A platform to share opportunities

Selected as the guest country of honor, Italy brought 147 brands participating in the expo with a total exhibition area of about 1,775 square meters, eyeing more China-Italy trade cooperation.

Maria Tripodi, Italian undersecretary of state to the Ministry of Foreign Affairs and International Cooperation, said the expo marks a new phase of opening up and international communication, and that she expects Italian participants to win applause and recognition from the Chinese market.

This year's expo will serve as a platform to optimize consumer supply, smooth consumer channels, boost consumer confidence, and shore up the dual-cycle development architecture with the domestic cycle as the mainstay and with domestic and international development reinforcing each other, according to European Commission.

Vietnam's Minister of Industry and Trade Nguyen Hong Dien spoke highly of the expo's significance, expressing his hope that Vietnamese, Chinese and other



At 3rd CICPE, Italian pavilion showcase 147 brands with a total exhibition area of about 1,775 square meters. (PHOTO: S&T Daily/TANG Zhexiao)

foreign enterprises can cooperate and achieve the highest results through this platform, according to Vietnam News Agency.

The skin care and makeup brand Estee Lauder, with a 30-year history in the market, was proud to participate in the prestigious event.

"China is one of the most dynamic markets in the world for prestige, and Hainan is a critical market who has ride the next generation of growth," Fabrizio Freda, CEO of Estee Lauder, said at the pavilion opening ceremony.

The company aims to establish higher quality cooperation in duty-free shopping, continuing to further support the development of commerce in this area and help the Hainan Free Trade Port (FTP).

CICPE to promote Hainan FTP construction

On April 13, 2018, China an-

nounced its support in developing the island Hainan into a pilot free trade zone and the promotion of the establishment of a free trade port with Chinese characteristics.

Held in Hainan for three consecutive years, the expo not only provides a trading platform for premium consumer products around the world, but also plays as a critical role of Hainan's construction of the FTP, said the PR news-wire.

Capitalizing on the policy advantages of the Hainan FTP, a number of enterprises from participating countries set up stores, factories, and even headquarters in Hainan in the past two years.

Official statistics show that brand names and leading companies from 52 countries, such as LVMH (France) and Richemont (Switzerland) have already established a presence in Hainan.

Indonesian food and beverage enterprise Kapal Api made its debut at the 3rd CICPE.

The construction of the Hainan FTP provides a rare opportunity for Kapal Api to expand its business in China, said Jiang Jiawen, a marketing representative of Kapal Api Coffee.

Future cooperation between Kapal Api Coffee and local enterprises in Hainan varies in many fields, including the construction of a coffee factory and invest the FTP.

The Hainan FTP reported revenue of more than 1.8 trillion RMB (262.05 billion USD) in 2022, a year-on-year increase of 31.6 percent, according to Hainan Provincial Bureau of Statistics.

As with sharing its opportunities with the world, the role played by Hainan FTP and China's consumption market in driving the global economy has become increasingly evident.

Comment

Don't Help Villain Do Evil

By GONG Qian

Japan announced on March 31 that it will restrict 23 types of advanced semiconductor manufacturing equipment in six categories, including cleaning, deposition, lithography and etching, according to Japan Trade Minister Yasutoshi Nishimura. The country will revise a trade ministry ordinance under the foreign exchange law, which is expected to take effect in July 2023.

About 10 Japanese companies that are involved in such equipment manufacturing, such as Tokyo Electron, Nikon and Screen, would fall under the stiffer export measures. This means they need to get government approval to ship equipment falling into those categories to countries not formally recognized. There are 42 countries and regions recognized by Japan. China is not among them.

Though the restrictions are not aimed at a specific country, as the Japanese trade ministry told CNN, "The measure is intended to limit exports to China," said the Asahi Shimbun, one of Japan's leading national daily newspapers. Japan's move follows Netherlands' move, which unveiled export controls on leading-edge chipmaking technology to China in early March. The two countries have been put under pressure from the U.S. which has been nudging its allies to take the same measures to curb China's chip advancement.

It should be familiar to what the U.S. did to China as the superpower took brutal measures to clamp down on Japan's booming semiconductor industry in the 1980s by resorting to bullying practices such as imposing high tariffs. At that time, Japan, the then second-largest economy in the world, overtook the U.S. to become the largest chip supplier.

Now, the U.S. has repeated its tricks in China. As the saying goes, do unto others what you want done unto you. As the keenly felt pain still stings, Japan should not help a villain do evil, said Chinese Foreign Minister Qin Gang, in talks in Beijing on April 2 with Yoshimasa Hayashi, the first Japanese foreign minister to visit China in three years and three months, a few days after Japan announced the new restriction.

However, the curbs will be a blow for Japanese equipment makers given the absence of a strong domestic chip market, Takamoto Suzuki, head of economic research for Marubeni in China, told Reuters.

According to Bloomberg, Nikon gets about 28 percent of its revenue from China, awhile, Screen gets 25 percent. However, the two chip manufacturers, depending on China for a large part of their growth, are evaluating the impact of Japan's chip curbs on its earnings. Tokyo Electron, which gets about 25 percent of its sales from China's mainland, could see that drop by 5 to 10 percentage points.

"[It] will undermine the market development of Japanese companies and certainly reduce their competitiveness from a regulatory aspect," said Suzuki.

Historically, Japan lost its dominant position in the chip market due to a U.S. tech squeeze. However, it withstood the crackdown by the U.S. and still plays a significant role in the semiconductor supply chain. However, as a victim of U.S. tech bullying, Japan should learn from the past and not be an accomplice in breaking up the global supply chain.

Similarly, or definitely, a chip blockade will only strengthen China's resolve to achieve self-reliance and self-development.

China's Promising Carbon Market

By QI Liming

China's emissions trading system (ETS) became fully operational in 2021. The program initially regulated carbon emissions from power plants, covering about 2,200 energy producers. As China's ETS ramps up deployment and decarbonization solutions, the accelerated technological progress and economies of scale will yield better performance and lower costs for consumers.

China's new ETS is already the world's largest carbon market, three times bigger than that of the European Union, according to a 2022 *Forbes* magazine report. It is predicted that China's ETS is about to grow 70 percent under plans to add heavy industry and manufacturing, making it the single largest global climate policy, covering more emissions than the rest of the world's carbon markets put together.

The cumulative trading volume of the national carbon emission rights market exceeded 10 billion RMB as of December 22, 2022. It has been in operation for 350 trading days since the official launch of the national carbon market. The cumulative trading volume of carbon emission allowance (CEA) has reached 223 million tons, according to

Xinhua News Agency.

ETS not only achieves stable operation and healthy development of the trading market, but also plays a pivotal role in promoting greenhouse gas emission reduction of enterprises and strengthening the awareness of low-carbon development of all sectors of society.

Carbon trading system may have a significant impact on energy efficiency in China as a key environmental measure, according to a paper published by Science Direct. Both static and dynamic effect analysis shows that carbon trading improves energy efficiency. The impact mechanism analysis shows that the system improves energy efficiency by adjusting the energy structure and promoting green technology innovation. Besides, the carbon trading system has a greater impact on improving energy efficiency in the field of high environmental law enforcement and environmental quality, the paper noted.

As the world's largest carbon market, covering more than four billion tonnes of power sector CO₂, ETS is expected to expand into new sectors beyond power generation. It is hoped that this expansion will bring more market participants, increase trade volume, and stabilize the market.



National carbon market online trading launches in Shanghai on July 16, 2021. (PHOTO: VCG)

Opinion

Washington Should Behave Itself Before Blaming Others

By QI Liming

The U.S. government has once again hyped up the issue of COVID-19 origin tracing, and signed the so called *COVID-19 Origin Act of 2023* into law in March 2023, making allegation toward China on "laboratory leakage" hypothesis.

The trick of ignoring science and

fabricating things out of thin air misleads the public and seriously interferes with the work of scientific tracing. The ultimate goal of the U.S. government's sinister move is to politicize and instrumentalize the issue of COVID-19 origin tracing to guide public opinions and smear China.

COVID-19 origin tracing is scientific

work, which must be carried out through a worldwide investigation and research by experts in relevant fields in a scientific and rigorous manner. In 2021, the WHO released the report on COVID-19 origin tracing joint study with China, which clearly concluded that "laboratory leakage" of the virus was highly impossible, and the conclusion has received wide support from the international scientific community.

American politicians have attacked China for its lack of information transparency and obstructing investigations into the origin of the virus. But the reality is that as of now, China has shared the most data and research results on COVID-19 origin tracing.

China is the only country that invited international experts from the WHO to cooperate in tracing the origin of the virus more than once, and the only country that has repeatedly organized its experts to share their progress on COVID-19 origin tracing with the WHO advisory group.

In contrast, the U.S. has refused to

respond to any calls for investigations into its laboratories or provide data on early suspected cases. Washington should have conducted honest and close cooperation with other countries, including China. Instead, it has taken the issue of COVID-19 origin tracing as one of the means to contain China. While closing its door to international investigation, the U.S. is making groundless accusations against China on the issue.

Scientists have long noted that tracing the origin of any virus has historically required long-term, extensive sample collection that could take years or even decades. U.S. politicians' constant rushing to make a conclusion on the COVID-19 origin through an unwarranted charge will only further damage the country's international credibility and image.

The U.S. should immediately stop political manipulation to COVID-19 origin tracing, respond to the legitimate concerns of the international community as soon as possible, and share its data of early suspected cases with the WHO.



Researchers check the blood in the laboratory to trace the coronavirus. (PHOTO: VCG)

Bolstering International Exchange of Talents

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International exchange of talent is a general trend, said Yu Tao, chief representative of Instituto Paulista Estudos China-Brasil, suggesting that more coop-

eration mechanisms should be developed.

Chinese students who study overseas and wish to return to China to further their careers are also an important

talent source. Chinese students, especially doctorate students, value the platform provided by local governments or enterprises the most, said a staff member from Japan Organization of Chinese Sci-

entists, adding that they wish their knowledge and skills could be put to good use.

During CIEP 2023, talent recruitment sessions were also provided for both foreign talents and overseas returnees, where over 7,600 positions for mid and high-level talents were offered.