New Incentives to Boost Foreign Reinvestment

Policy Express

By Staff Reporters

China has released a document aimed at encouraging reinvestment by foreign-funded enterprises, according to a circular jointly released by seven government bodies, including the National Development and Reform Commission (NDRC).

The 12 measures in the document focus on reducing costs, improving efficiency, broadening investment channels, and enhancing service quality for foreign-funded enterprises.

Focusing on enhancing project support services, optimizing land and resource allocation, streamlining procedures for setting up new entities through reinvestment, facilitating the use of foreign exchange funds, improving financing channels, innovating financial products and services, and implementing supportive policies, the document proposes to help foreign-funded enterprises deepen their presence and achieve long-term development in the Chinese market.

The document also specifies the applicable scenarios for this stimulus package and calls for pilot programs to improve investment reporting by foreign-funded enterprises, enhanced inter-departmental information sharing, and improved evaluation methods for promoting foreign investment.

The Lingang New Area of the China (Shanghai) Pilot Free Trade Zone. (PHOTO: XINHUA)

An NDRC official emphasized that reinvestment is a vital component of foreign direct investment and reflects China's commitment to high-level opening-up.

Looking ahead, the NDRC will work with local authorities to tailor the implementation of these policies, improve the reinvestment environment, and accelerate execution. According to Jing Qin, deputy director-general of the NDRC's department of foreign investment, a dedicated task force will continue to track implementation and provide targeted services for foreign investors. Green channels will also be opened for eligible reinvestment projects.

Yuan Shenglong, director of the Comprehensive Office at the Chinese Academy of Macroeconomic Research, noted that the creation of a national reinvestment project database and the inclusion of qualifying projects in major investment lists will steer foreign capital toward capital- and technology-intensive sectors.

Experts also pointed out that measures like simplifying procedures for setting up reinvested enterprises, optimizing resource allocation, and piloting domestic investment reporting for foreign-funded enterprises reflect the latest progress in reforming China's foreign investment management system.

"The document serves as a comprehensive policy measure to implement *the 2025 Government Work Report*'s call to 'encourage foreign investors to increase their reinvestment in China,' by lowering costs, streamlining procedures and strengthening policy guarantees," said Luo Rong, director of the Institute of International Economics at the Chinese Academy of Macroeconomic Research.

Navigating Ethical Course of Driving Automation

By WANG Manxi & LIU Yin

China's Ministry of Science and Technology released an ethical guideline for the research and development of driving automation technology on July 23, which proposes corresponding ethical norms for different types of driving automation systems.

Life safety first

"Driving automation systems possess both technical and social attributes. Their technological innovation and industrialization must fully consider the public's values and ethical concerns," said Gong Ke, a member of the Artificial Intelligence Ethics Subcommittee of the National Science and Technology Ethics Committee.

The guideline applies to entities involved in driving automation technology, including technology developers, manufacturers and users. It is meant for vehicles with driving automation functions, covering both the advanced driver assistance function and automated driving function.

The policy emphasizes driving safety, stating that the technology's development and application must take safety fully into account. This includes not only the safety of human participants in automated driving, but also road traffic environment safety and the security of data, algorithms and other technical aspects.

"In terms of risk prevention, the guideline places high importance on respect for and protection of life safety. It explicitly states that in unavoidable traffic accidents or extreme driving conditions, harm to humans should be minimized to the greatest extent," Gong Ke stated.

He added that the guideline also focuses on preventing risks to relevant parties from factors such as data privacy, algorithmic discrimination and algorithmic interpretability.

Clear rules for different types

Drawing on international standards, national policies and local practices, the guideline categorizes driving automation into three types and assigns responsibilities accordingly.

For vehicles with advanced driver-assistance systems, or Level 2 and below driving automation, human drivers are responsible for the driving process.

For conditional automation, encompassing Level 3 and Level 4 driving automation, human drivers, system developers or manufacturers are liable, depending on specific operational scenarios.

At the full automation stage, or Level 5 driving automation, the automated driving system generally serves as the primary responsible entity. However, the human driver actively intervenes in special situations.

"Due to limitations in professional knowledge, the public can easily fall into a cognitive gap regarding driving automation technology, leading to misconceptions and misuse of related products," Gong said. Under the pressure of commercial competition, technology developers and car manufacturers may exaggerate technical capabilities or conceal risks, potentially causing accidents that trigger public panic and a crisis of trust.

Therefore, to promote healthy technological development, build extensive societal trust and ethical consensus, the guideline also lists public education and communication norms that the relevant parties must follow.

Qian Linzhao: Forging Scientific Tools in Crucible of War

80 Years On
Salute to Scientists

By WANG Manxi & MA Aiping

In the winter of 1937, inside the Institute of Physics in Beijing, 31-year-old Qian Linzhao and his colleagues were dismantling and packing precision instruments carefully. The Japanese had invaded China and encircled the institute and the Chinese scientists were readying to relocate secretly to the south to safeguard China's "seeds of scientific research."

An urgent telegram had arrived from the institute's director Yan Jici, who was in Kunming in southwest China, ordering them to relocate to Kunming. Qian, who had just returned from the University of London, now faced a critical task: He would have to lead a strategic mission to elude the close surveillance of the Japanese and their collaborators and ensure the relocation.

Rescuing the lifeline of science

The institute and its equipment were a strategic target for the Japanese. Qian and his colleagues pretended to organize documents by day for the invaders, but by night, they secretly moved the instruments out through the back gate to the nearby Sino-French University's courtyard. To evade the Japanese blockade, they disguised the microscopes and spectrometers as ordinary cargo, using a Russian transport company to transport them via the Tanggu Port, today the Tianjin Port close to Beijing.

After nearly six months of perilous travel, the equipment finally reached Heilongtan in Kunming. When physicist Yan Jici saw the instruments, he said, "What we've preserved is not just metal and glass — it's the lifeline of Chinese physics."

Over the next eight years, the institute produced 500 microscopes and 300 levels in Kunming, providing crucial support for military and medical needs during the war.

Breaking through technological blockades

In the makeshift optical workshop in Kunming, Qian faced a new challenge. The objective lens curvature radius measuring instrument essential for microscope production was embargoed by foreign powers. After a week of relentless effort, he successfully modified an ordinary microscope into a precision spherometer capable of millimeter-level curvature measurements.

This innovation, known as the "autocollimation method," not only solved production bottlenecks but remained in use across China's optical factories until the initial stage of reform and opening-up.

Using crystals that had been rushed to Kunming, Qian and his team produced nearly a thousand piezoelectric oscillators, some of which were supplied to the U.S. and British forces stationed in Kunming. The foreign media acknowledged the contribution, reporting, "The crystal components made by Chinese scientists in air-raid shelters are ensuring stable communications along the allied Hump route."

The Hump route was a critical air route over the Himalayan ranges used to bypass Japanese-occupied territory and bring in much-needed supplies to China.

Scientific enlightenment amidst war

Even as bombs fell, Qian continued to teach. Chen Zhaojia, one of his students, recalled, "Professor Qian would rehearse his lectures — sometimes even practicing in front of a wall." In 1943, Qian edited the *Chinese Journal of Physics*, which became a vital academic bridge between China and the outside world during the war.

In his seminal work, Qian analyzed the optical discourse in an ancient Chinese text, the Mohist Canons, containing the thoughts and philosophy of the Mohist school, a school of philosophy that flourished during the Warring States period (479—221 BC). He did it through the lens of modern physics, sparking a wave of study of science and technology history.

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British biochemist and historian Joseph Needham wrote in his work *Science and Civilisation in China*, "This work proves that ancient Chinese scientific thought engaged in a timeless dialogue with modern physics."

After the War of Resistance against Japanese Aggression, Qian was one of the founding members of the Chinese Academy of Sciences. Today, his wartime manuscripts are on display at the Qian Linzhao sci-tech history library at the University of Science and Technology of China in Hefei, eastern China.

As Yan Jici said, "They didn't just preserve the instruments, but protected a nation's courage to pursue truth."

Vibrant China

Qinghai: New Powerhouse of Green Energy, Computing Revolution

By Staff Reporters

Nestled in the heart of China's ecological civilization, Qinghai province in northwest China is emerging as a powerhouse of clean energy and green innovation. Here, the nation's largest renewable energy base in a desertified area is under construction while the highest-altitude hydropower station along the Yellow River is generating green electricity. Leveraging its abundant clean energy resources, Qinghai is charting a path toward sustainable, high-quality development.

Monitoring with a bird's-eye view

How rich is Qinghai in clean energy? Two key figures tell the story. By June, Qinghai's total installed power capacity was over 759 million kilowatts, with clean energy and new energy accounting for 94.2 percent and 72.6 percent, respectively — both ranking first in China.

Traveling across the province, you can't miss the towering wind turbines dotting the hills or the solar panels crowning village rooftops. But with such a vast, decentralized network of energy facilities, how does Qinghai ensure efficient management? Given the inherent variability of renewable energy, how is real-time generation tracked?

The answer lies in the National Clean Energy and Green Computing Scheduling Center in Xining, Qinghai's capital. Inside the center, large screens display live updates—wind speeds, power output, generator rotations, enabling remote monitoring without on-site visits.

Hu Donggang, deputy manager at Qinghai Green Energy Data Co., explains that the center has integrated data from 28 power companies and 558 renewable energy stations, covering nearly the entire province.

"This system enables unmanned or minimally staffed operations, cutting labor costs by over 40%," he said.

The center also acts as a high-precision command hub, ensuring grid stability through real-time monitoring, remote control, and rapid fault resolution.

Bridging green power and green computing

In the era of digital economy, computing power is the new productivity. With the explosive growth of AI and surging demand for data processing, Qinghai, endowed with ample electricity and a cool climate, is positioning itself as a hub for green computing, aligning with China's "East Data, West Computing" strategy.

Green computing uses clean energy and optimized algorithms to minimize carbon footprints. Zhou Ji, deputy director at State Grid Qinghai's Digital Department, introduced the Computing-Power Collaborative Scheduling Model.

"By analyzing data center loads, time-based electricity pricing, and renewable output forecasts, we generate optimal scheduling curves," he explained. Computing-intensive tasks are done during periods of abundant, low-cost green electricity, slashing emissions.

Currently, Qinghai's intelligent computing capacity has hit 15,000 PFLOPS, while its large data centers maintain an industry-leading power usage effectiveness below 1.2. The center already integrates data from China's three telecom giants and Qinghai University, with plans to include more facilities.

From carbon tracking to global competitiveness

Green computing isn't just about energy. It's about transforming industries. At the operation center, analysts monitor real-time electricity use in industrial parks, offering tailored energy solutions. According to Wang Weiqing, deputy general manager of Qinghai Green Energy Data Co., AI-driven models evaluate 36 metrics, from equipment efficiency to clean energy utilization, creating precise energy profiles for businesses.

For exporters, this means a competitive edge. "Our carbon-tracing database and green-computing certifications help companies navigate global trade barriers," Zhou said. By turning clean energy into verifiable green credentials, Qinghai is deriving both ecological and economic gains.

Today, it is integrating digital intelligence with clean energy, and weaving green computing into national strategies. From wind-swept plateaus to data-driven industries, the province is composing a vibrant anthem for China's green future.

A flock of sheep roaming between solar panels at a solar photovoltaic power plant in Qinghai province. (PHOTO: XINHUA)

China's AI Solutions for Better World

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The aim is to unleash the dividends of AI, bridge the AI divide, and make sure that AI is for good.

Chinese AI solutions have crossed borders. The China Meteorological Administration launched MAZU, an AI-powered early warning meteorological system, and donated MAZU-Urban, the AI agent for multi-hazard early warning, to representatives from Djibouti and Mongolia. This marked the start of this set of AI meteorological system's mission of cross-border disaster prevention and mitigation.

Celeste Saulo, secretary-general of the World Meteorological Organization, said this technology not only benefits China, but is also open source. She called it a good example to bridge the technology gap among different countries through AI.

Apart from contributing practical AI solutions, China has also showed its commitment to global AI cooperation and governance.