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China, South Africa to enhance economic and trade cooperation, strengthening close ties: officials

Source: Global Times | 2023-08-11

Chinese Commerce Minister Wang Wentao met with Paul Mashatile, the deputy president of South Africa, on Wednesday in Pretoria. The two officials pledged to enhance economic and trade cooperation, as reported by the Chinese Ministry of Commerce (MOFCOM) on Thursday.

During the meeting, Wang emphasized that China and South Africa share a unique friendship as "comrades and brothers." He noted that under the strategic guidance and personal endorsement of the two heads of state, bilateral economic and trade cooperation has experienced significant growth, stated MOFCOM in a press release.

China aims to deepen and broaden trade and investment collaboration with South Africa. The goal is to boost the export of high-quality South African products to China, aid Chinese enterprises in deepening their engagement in South African sectors like manufacturing, mining, and agriculture, and foster cooperation in emerging fields such as new energy, the digital economy, and cross-border e-commerce, the statement explained.

Mashatile expressed South Africa's strong appreciation for its special and amicable relationship with China. He also lauded the achievements resulting from the collaboration between the two nations. Furthermore, he expressed a desire to expand exports of agricultural and industrial products to China and attract more Chinese businesses to invest in South Africa, as per the MOFCOM statement.

China-South Africa economic and trade cooperation is thriving due to their close ties. In the first seven months of 2023, China's trade with South Africa surged by 10.5 percent year-on-year, reaching 226.15 billion yuan (\$32.69 billion). China's exports to South Africa increased by 16.5 percent, while imports from the country rose by 6.1 percent, according to official Chinese data.

Efforts to bolster bilateral trade are actively underway. In May, China's prominent agricultural and food company, COFCO Corp, received a substantial shipment of 53,000 tons of corn from South Africa. COFCO intends to intensify its research on South African corn, increase its purchasing scale, and establish a regular import of South African corn, as reported by Xinhua.

Share of yuan in Russia's forex transactions hits new high amid closer bilateral cooperation

Source: [Global Times](#) | 2023-08-10

The share of Chinese yuan in Russia's foreign exchange transactions hit a new high of 44 percent in July, according to official Russian data on Tuesday, further highlighting the closer economic and trade cooperation between the two countries.

The yuan's share in Russian foreign exchange transactions increased from 39.8 percent in June to 44 percent, Russian news agency TASS reported, citing Russia's central bank. In the month, the share of "toxic" currencies declined from 58.8 percent in June to 54.5 percent, according to the report.

Since February 2023, the yuan has replaced the US dollar as the most traded foreign currency in Russia for the first time, according to Bloomberg.



At a Shanghai Cooperation Organization meeting in July, Russian President Vladimir Putin said that more than 80 percent of commercial transactions between Russia and China were conducted in rubles and yuan, according to TASS.

Sputnik reported on August 9 that 47.7 percent of payments in foreign economic cooperation used China's yuan.

In Russia, the yuan has become one of the most favorable foreign currencies. The economic cooperation between the two countries has developed closely under the head-of-state diplomacy between China and Russia.

China has been Russia's biggest trading partner for 13 years, and the bilateral trade between China and Russia reached a new high of 1.276 trillion yuan (\$190.27 billion) in 2022. Based on statistics from the General Administration of Customs, the trade between China and Russia in July rose 46.3 percent to 140 billion yuan (\$19.49 billion).

Close cooperation benefits both countries, with gas exports from Russia via the "Power of Siberia" pipeline set to increase.

The first train from China to cross the Amur Railway Bridge, which connects Russia's Far East with Northeast China's Heilongjiang Province, made the journey in July, with 25 million tons of goods set to cross the rail bridge annually.

Russia is not the only country shifting away from the dollar and toward China's yuan.

In March, Chinese and French energy companies finalized a deal on liquefied natural gas in yuan. In the same month, Brazil started to use yuan in transactions with China and settled trade without intermediary currencies, according to media reports.

In July, Indian refiners began to pay for some oil imports from Russia using yuan, Reuters reported. In the same month, Bolivia became the latest country in South America to use yuan in trade with China.

Economic Watch: China's CPI logs monthly increase as consumer demand recovers

Source: Xinhua | 2023-08-09

China's consumer price index (CPI), a main gauge of inflation, registered a monthly increase of 0.2 percent in July thanks to continued recovery of consumer demand, the National Bureau of Statistics (NBS) said Wednesday.

In breakdown, food prices declined 1 percent month on month, but the prices of non-food items rose 0.5 percent on a monthly basis.

Among the non-food items, services prices rose 0.8 percent month on month, widening 0.7 percentage points compared with that in June.

Services prices were mainly driven by a rise in the prices of travel services following significant increases in summer travel, said NBS statistician Dong Lijuan.

The prices of air tickets, tourism and hotel accommodation rose by 26 percent, 10.1 percent and 6.5 percent, respectively, on a monthly basis.

The prices of industrial consumer goods rose 0.3 percent month on month, reversing a 0.4-percent decline in the previous month.

On a yearly basis, the country's CPI declined 0.3 percent due to a high base in the corresponding period of 2022, according to Dong.

The core CPI, deducting food and energy prices, rose 0.8 percent year on year, with the pace of increase widening by 0.4 percentage points compared with that in June.



The average CPI from January to July increased by 0.5 percent year on year.

According to Dong, the year-on-year decline of the CPI will likely prove a short-term phenomenon.

With sustained economic recovery, steady market demand expansion, continuous improvement of supply and demand, and gradual elimination of the impact of the high base in the corresponding period of last year, the country's CPI is expected to gradually rise, said Dong.

China's economic growth continues apace despite challenges at home and abroad, and the country is extending support measures to boost confidence, ensure sustained recovery and promote high-quality development.

The country's economy expanded 6.3 percent in the second quarter of the year, accelerating from 4.5 percent in the previous quarter. It grew 5.5 percent in the first half of the year, above the government's target of around 5 percent set for 2023.

A slew of policy pledges, targeting specific sectors ranging from consumption, private economy, and the property market, to the capital market and forex market, have been made public after a key meeting of the top leadership vowed to strengthen counter-cyclical regulation and make more policy options available.

To encourage consumption, which the government said plays a fundamental role in driving economic growth, the National Development and Reform Commission released a 20-point plan last week to spur consumer spending on a wide range of goods and services, including new energy vehicles, home appliances, electronics, catering, and tourism.

Economic Watch: China's foreign trade sustains growth despite weakening external demand

Source: Xinhua | 2023-08-08

China's imports and exports maintained stable operation with diversified markets and a better structure in the first seven months of 2023, despite sluggish global demand.

China's total imports and exports expanded 0.4 percent year on year to 23.55 trillion yuan (about 3.29 trillion U.S. dollars) in the first seven months of the year, official data showed Tuesday.

Exports grew 1.5 percent year on year while imports declined 1.1 percent from a year earlier, according to the General Administration of Customs (GAC).

In July alone, foreign trade dropped 8.3 percent year on year to 3.46 trillion yuan, with exports down 9.2 percent and imports down 6.9 percent, the data revealed.

"China's monthly trade data have been above 3.4 trillion yuan since the second quarter," said GAC spokesperson Lyu Daliang.

"Generally speaking, China's foreign trade maintained stable operation and was in line with expectation," said Lyu. "The fundamentals for long-term growth have not changed," Lyu added.

In the January-July period, the Association of Southeast Asian Nations (ASEAN)

remained China's largest trade partner. China's trade with ASEAN countries rose 2.8 percent year on year.

While China saw trade with the European Union, the United States and Japan fall 0.1 percent, 9.6 percent and 5.8 percent respectively, the country witnessed trade growth with other markets.

China's trade with five Central Asian countries recorded robust growth, soaring 35 percent year on year. Its trade with Latin America and Africa grew 5.5 percent and 7.4 percent, respectively.

During this period, China's trade with countries along the Belt and Road amounted to 8.06 trillion yuan, jumping 7.4 percent year on year. The trade value accounted for 34.2 percent of the country's total.

"Chinese companies should work to tap the potential of markets in countries along the Belt and Road, develop quality products and enhance the reputation of Chinese brands," said Yang Changyong, a researcher with the Chinese Academy of Macroeconomic Research.

In the first seven months of this year, exports of mechanical and electrical products proved a bright spot. Exports of mechanical and electrical products amounted to 7.83 trillion yuan, rising 4.4 percent year and year and accounting for 58.1 percent of the country's total exports. Specifically, auto exports expanded 118.5 percent year on year.

"China boasts great potential in new energy vehicle exports, given rising demand in the European market," said Cui Dongshu, secretary general of the China Passenger Car Association.

Looking at the second half of the year, Li Xingqian, an official of the Ministry of Commerce, said the situation is extremely grim, citing weak global demand for production, consumption and investment, and "decoupling" or "de-risking" moves by some countries to hinder normal trade.

Li said China will take more steps to help companies secure orders and expand markets, including hosting trade expos, increasing the number of international flights and facilitating visas for foreign businesspeople..

BRICS ties support trade, recovery, MSMEs

Source: china.org.cn | 2023-08-10

Stronger cooperation and better coordination among BRICS countries — Brazil, Russia, India, China and South Africa — are expected to strengthen world economic recovery as well as the multilateral trading system, experts said on Wednesday.

Also, strong BRICS relations can stabilize global supply chains and support the growth of micro, small and medium-sized enterprises (MSMEs) in the current challenging environment, they said after the 13th BRICS trade ministers' meeting, held online on Monday, achieved consensus on cooperation frameworks.

The bloc will make joint efforts to promote open, resilient, efficient and stable global supply chains, and help MSMEs to better integrate into global value chains, China's Ministry of Commerce said in a statement on Tuesday.

The BRICS trade and economy ministers also agreed to strengthen the multilateral trade system with the World Trade Organization at its core and participate in the reform of the WTO with a constructive attitude.

They condemned some developed countries for adopting unilateral and discriminatory measures like the carbon border adjustment mechanism and tax incentives.

Such measures will fragment global supply chains. So, the BRICS countries will make joint efforts to address the challenge, in order to ensure global supply chains bring benefits to people all over the world, they said.

"Better coordinated and stable economic and trade relations of the five major developing economies will strengthen their capabilities to cope with challenges and spur their economic recovery, providing a model of multilateralism-based cooperation for other developing countries seeking development," said Zhou Mi, a senior researcher at the Chinese Academy of International Trade and Economic Cooperation.

"In particular, their strengthened cooperation on supply chain coordination will lead to increased efficiency in promoting innovations in key areas of social and economic development, and address external pressures," he said, stressing major economies are all seeking heavier positions on global supply chains, which reinforces the need for supply chain resilience through coordination.

Besides, inclusion of MSMEs in the BRICS cooperation on supply chains will also help smaller enterprises to grow better, he said, adding this move is of great

significance to BRICS countries as they seek to expand their markets.

Compared with bigger enterprises, smaller enterprises are usually less capable of participating in, and utilizing, global supply chains, he said.

Zheng Wei, a researcher with the Shanghai-based China Outsourcing Institute, said closer cooperation among the BRICS countries will unleash more potential for development in not only themselves but the whole world.



"Given the downward pressure of the global economy, the rising anti-globalization sentiment, and some Western countries' pursuit of decoupling, BRICS countries' joint efforts to promote smooth and effective operation of global supply chains are becoming even more valuable," Zheng said.

Their common voice on the multilateral trading system, WTO reform, protectionism and globalization will strengthen free trade, investment and global economic cooperation, he said.

According to the MOC, the BRICS ministers of trade and economy also agreed to expand cooperation in the fields of digital economy and green development. They also reached a consensus on inviting non-BRICS countries to discuss the digital economy and exploring cooperation with other developing countries and the least developed countries.

The multilateral trade system with like-minded non-BRICS members will also be

strengthened, in order to create a sound trade environment conducive to development.

China will join efforts with other countries to deepen BRICS economic and trade cooperation, and ensure that BRICS' contribution to the world economic recovery will grow, the MOC said.

Explainer: How China's new development pattern boosts opening-up, global growth

Source: People's Daily Online | 2023-08-10

Since China adopted the new development pattern of "dual circulation" in 2020, there have been speculations that China is "turning inward."

Such speculations are simply a misinterpretation of the new development pattern, which takes the domestic market as the mainstay while allowing domestic and foreign markets to reinforce each other.

In no way should "dual circulation" be interpreted as a closed domestic loop.

To help the readers get a fuller picture of China's new development pattern, the article provides information regarding its birth, possible contributions to the country's further opening-up, and potential opportunities it is expected to bring to the world.

GROWING DOMESTIC DEMAND

The new development pattern was rolled out based on changes in China's development conditions and demand for long-term high-quality growth.

It also represents China's swift response to a changing global landscape that has witnessed rising protectionism and anti-globalization.

"Through the strategy, China hopes to solidify its domestic market capabilities while also increasingly opening up to the rest of the world," said Cavince Adhere, a Kenya-based international relations scholar.

"Recent trends have indicated just how perilous it is for countries to exclusively rely on international value chains in the backdrop of protectionist economic models or political aggressions manifested through sanctions. On this account, it is only rational that countries develop reasonable levels of domestic self-sufficiency and competitiveness," Adhere said.

A stronger domestic China will increase economic throughput in terms of goods demanded in other parts of the world besides China, which remains the largest consumer market, he added.

With a population of over 1.4 billion and a middle-income group of more than 400 million, stable demand from the world's largest consumer base serves as a crucial pillar for the global economy.

"China can actively participate in the development and reinforcement of global supply chains while also developing its own domestic supply chains. This can allow China to benefit from specialization and efficient resource allocation at home while minimizing the risks associated with overreliance on external supply sources," Adhere said.



FURTHER OPENING-UP

China has benefited greatly from its reform and opening-up over a period of 40-plus years. Expanding the domestic market is not in contradiction with China's policy of opening-up, nor does it mean the international market is no longer important to the world's second-largest economy.

The United Nations Conference on Trade and Development said in its World Investment Report 2023 that global foreign direct investment (FDI) fell by 12 percent in 2022, while inflows to China rose by 5 percent to a record 189 billion U.S. dollars, mainly in manufacturing and high-tech industries.

In the first half of 2023, some 24,000 new foreign firms were established in China, marking a 35.7-percent increase year on year, according to China's Ministry of Commerce.

"I think we can say that opening up is a great benefit to China's neighbors and many countries across the world because they get the opportunity to sell to the Chinese market," said Stephen Perry, chairman of Britain's 48 Group Club.

"The world's business needs China. And the world's business will continue to find that China is a good place to be," Perry said.

"China is a model global trader, especially to developing countries," Perry said. "Being a major trader helps keep China as part of the world and stays safer."

Even during the COVID-19 pandemic, China held a string of international events to further open up itself to the world, including the China International Import Expo, the China International Consumer Products Expo and China International Fair for Trade in Services.

More notably, China signed in 2020 the landmark Regional Comprehensive Economic Partnership (RCEP) agreement, the world's largest free trade pact.

As a result, trade between China and other RCEP members in 2022 increased 7.5 percent year on year to 12.95 trillion yuan (about 1.8 trillion U.S. dollars), and RCEP investment in China, in actual use, climbed 23.1 percent to 23.53 billion U.S. dollars, data shows.

GLOBAL OPPORTUNITIES

China's new development pattern will bring numerous new opportunities to the world in many areas, one of which is the implementation of the Belt and Road Initiative (BRI), Adhere noted.

Echoing the view, Perry said, "China's new development model will bring more higher quality goods into the world markets, especially Asia and BRI, and provide a market for developing countries to export to China."

Over the past decade since the initiative was launched, China has signed more than 200 cooperation documents with more than 150 countries and more than 30 international organizations, resulting in more than 3,000 cooperation projects and generating nearly 1 trillion U.S. dollars in investment, official statistics show.

Apart from developing countries that benefited from opportunities through Belt and Road cooperation, multinational companies from developed countries also discovered fresh investment and cooperation potential in China.

"Although domestic production and consumption are emphasised in the new model,

China still prioritizes international trade and investment as an avenue for technology exchange, resource procurement, and market access," Adhere said.

In recent years, many foreign companies have chosen China as their ideal location for their research and development (R&D) centers to cater to the vast Chinese market demands and serve a larger global market.

Global carmaking giant Tesla Inc. announced in April that it will build a new mega factory in Shanghai, which will be dedicated to manufacturing the company's energy-storage product Megapack.

To tap into China's fast-growing electric vehicle (EV) market, Volkswagen Group, a veteran German carmaker, reached an agreement in July to buy a 4.99-percent stake of Chinese EV startup Xpeng for 700 million U.S. dollars and co-develop two EV models for the Chinese market.

In May, Volkswagen also inked an investment agreement to build an R&D, innovation, and procurement center in Hefei, the capital of China's Anhui Province.

In March, global water technology provider Xylem put its R&D center in China into operation, while French multinational Schneider Electric launched its automation R&D center in east China's Wuxi City. In May, a new Volvo car design studio was opened in Shanghai. The carmaker only has three design studios across the globe.

L'Oreal Chairman Jean-Paul Agon said China has proven to be a stabilizer for the global economy, an accelerator for consumption and the world's laboratory for innovation.

"We believe that 'investing in China is investing in the future,'" Agon told Xinhua in a recent interview.

"With a further open market, improving business environment and promising domestic demand boost initiatives, China is embracing the world with new opportunities. Meanwhile, China is also bringing opportunities to the world. We look forward to more companies enjoying these opportunities," he said.