

OPINION: PROSPECTS OF CHINA-U.S. RELATIONS P.20 | FEATURES: TOKYO OLYMPICS P.32

# BEIJING REVIEW

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## WAVE OF THE FUTURE

Hainan Free Trade Port opens  
to the world



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Cover Photo: Tourists go surfing in Wanning, Hainan Province, in February (VCG)

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## Steady Progress of Free Trade Port

The first negative list for cross-border trade in services for Hainan Free Trade Port (FTP) was issued on July 26. An important step since the establishment of the FTP, it is also the country's first negative list in the field of trade in services.

A pillar industry in Hainan Province, the service sector, contributes more than 60 percent to the province's GDP. The latest negative list will facilitate the introduction of new service models and diversify supplies of services.

Since the overall plan for the Hainan FTP was released in June last year, the province has formulated over 140 policies designed to promote development of the FTP.

In free trade facilitation, except for the goods subject to export restrictions and compulsory inspection and quarantine, all goods from abroad and inside the free trade zone are free from customs supervision to enter and exit the border, and tariffs will be collected only when the goods enter or exit non-free trade zones from the free trade zone, said a trial policy.

The 2020 version of negative list

for foreign investment access in the FTP includes only 27 items, the shortest of its kind in China.

A pilot program for the facilitation of cross-border payments of foreign trade and policies concerning foreign exchange administration for new-type offshore trade have made cross-border capital flows easier.

Hainan has also launched pilot reform on the service and management of international professionals, including trial rules for appointing foreigners as leaders of public institutions and state-owned enterprises. The province has also recruited global candidates as heads of the Sanya municipal bureau of tourism promotion and the bonded port development bureau of Yangpu Economic Development Zone.

The whole system is scheduled to be primarily completed by 2025, and the next two or three years will be time for Hainan to make breakthroughs in turning the pilot program into a real FTP by pooling quality resources and building an open and law-based governance environment with a global perspective. **BR**



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## THE FINAL STRETCH

The National Ski Jumping Center for the Beijing 2022 Winter Olympics in Zhangjiakou, Hebei Province, on July 29. The main structure was completed last December. Its nickname Snow Ruyi stems from its curves similar to a traditional Chinese jade ornament for good luck.

Including the Snow Ruyi, all 12 competition venues have been completed and passed on-site tests conducted by international sports federations. Test activities were staged during the most recent snow season to examine venues and facilities, operation and emergency response.

## Pudong Cluster

The New Bund Global Economic Organization Cluster was unveiled in Shanghai's Pudong New Area on July 28, as part of its efforts to attract more international economic entities to drive high-quality growth.

A total of 10 international economic organizations have set up offices in the New Bund of Pudong (Qiantan Area).

Yang Chao, deputy head of Pudong, said the cluster will gather more corporate headquarters, international organizations and institutions with global influence, helping Pudong become the prime option for many international organizations and improving Shanghai's global competitiveness.

## Worker Protection

Employers should ensure that food delivery workers earn no less than the local minimum wage, according to a guideline issued by seven departments in-

cluding the State Administration for Market Regulation, the Cyberspace Administration of China and the National Development and Reform Commission on July 26.

The "strictest algorithm" should not be used as an assessment requirement and the delivery time requirements should be appropriately relaxed, according to the document.

Platforms should participate in social insurance programs for the food delivery personnel they employ, and people working for other types of employers are encouraged to join also, it said.

## Housing Prices

Housing authorities held a regulatory talk with officials in five cities on July 29 and urged them to stabilize the property markets in the wake of rapid increases in local home prices.

Ni Hong, Vice Minister of Housing and Urban-Rural Development, said Yinchuan, Xuzhou, Jinhua, Quanzhou and

Huizhou should enhance property market regulation and keep its development stable and sound.

The prices of residential housing and land increase too fast in these cities in the first half of this year, and market expectations have become unstable.

Ni asked the local governments to uphold the principle that "houses are for living in, not for speculation" and refrain from using the property sector as a means of short-term economic stimulus.

Ni also urged them to speed up efforts in establishing a link mechanism between housing and land prices, developing affordable rental housing, and making two-way adjustments in supply and demand.

## Original Innovation

China has substantially increased funding for basic research, with an average annual growth rate of 16.9 percent, Minister of Science and Technology Wang Zhigang said at a press conference on July 27.

The spending on basic

research has reached 6 percent of its research and development (R&D) expenditure, he added.

The country has become the second largest contributor of high-quality scientific and technological papers in the world, according to Xu Jing, an official with the Ministry of Science and Technology.

The number of citations of Chinese academic papers in 12 fields including material science, chemistry, engineering technology, mathematics and physics ranked among the top two in the world, Xu said.

According to Wang, China is promoting building regional innovation hubs and encouraging regions with proper conditions to take the lead in innovation-driven development.

He said the total economic output created by hi-tech zones accounts for more than 12 percent of that of the national total.

## Digital Cooperation

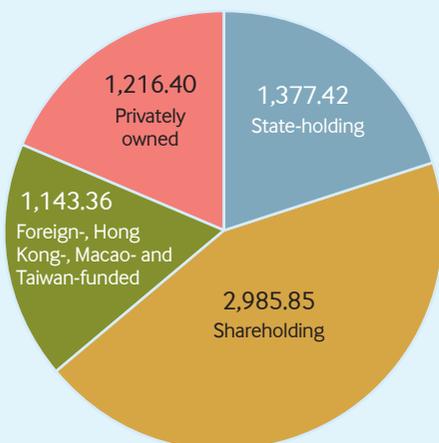
A directive on overseas

## NUMBERS

(\$1=6.5 yuan)

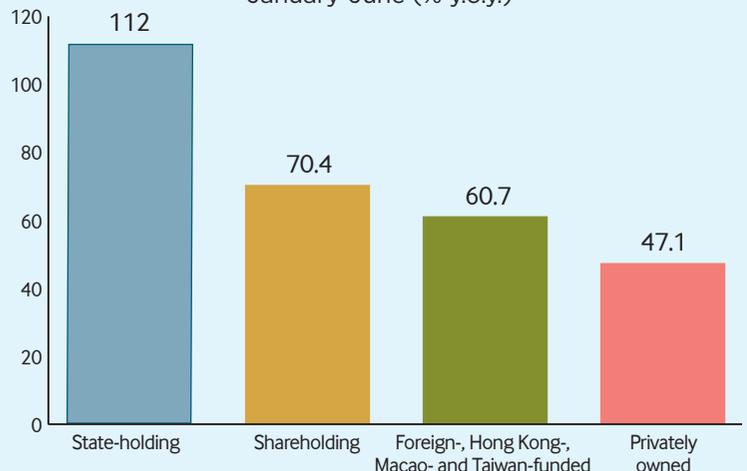
### Industrial Enterprises' Profit by Business Type

January-June (bln yuan)



### Industrial Enterprises' Growth by Business Type

January-June (% y.o.y.)



investment and cooperation in the digital economy was released by departments including the Ministry of the Commerce on July 23, detailing major tasks to engage the global development of the digital technology.

It also pledged active efforts to promote China's integration with the global industrial chain.

More measures will be rolled out to enable digital economy enterprises to accelerate the deployment of overseas research and development and product design centers, and strengthen cooperation with overseas technology companies in fields such as big data, 5G, artificial intelligence, and block chain for the joint development of cutting-edge technologies, the document said.

Domestic companies will also be encouraged to tap opportunities in the overseas digital market and invest in smart infrastructure.

According to a white paper issued by the China Academy of Information and Communication

Technology in April, China's digital economy grew 9.7 percent to 39.2 trillion yuan (\$ 6.1 trillion) in 2020 amid the COVID-19 pandemic and global economic downturn. It accounted for 38.6 percent of the GDP.

## Capital Market

High-quality development of the Nasdaq-style sci-tech innovation board, known as the STAR Market, will be advanced with fresh measures, the Shanghai Stock Exchange (SSE) said on July 22.

The SSE, which operates the board, said it will increase support for enterprises with vital technologies, and urge the board to ramp up information disclosure and tighten requirements for market entry.

This will ensure that intermediary agencies and market entities perform their duties, the company said, calling for efforts to improve the pricing of new stocks on the board and toughen regulation.

The SSE envisioned

companies listed on the STAR market to increase spending on research and development, and strive for more technological breakthroughs.

The board started trading on July 22, 2019. Over 310 firms have been listed on the STAR Market, raising over 380 billion yuan (\$58.8 billion) via initial public offerings. The market's total value is estimated at over 4.9 trillion yuan (\$753 billion).

## Industrial Growth

Major industrial companies saw a steady increase in profits in the first half of this year amid a stable recovery in market demand and improving business performance, official data showed on July 27.

Industrial firms with an annual business turnover of at least 20 million yuan (\$ 3.1 million) raked in combined profits of 4.22 trillion yuan (\$648.6 billion) during the period, up 66.9 percent year on year, data from the National Bureau of Statistics

(NBS) showed.

In the second quarter, industrial profits rose 36 percent year on year, up 42.5 percent from the 2019 level.

In June alone, major industrial firms made 791.8 billion yuan (\$121.7 billion) in profits, up 20 percent from last June.

## PV Production

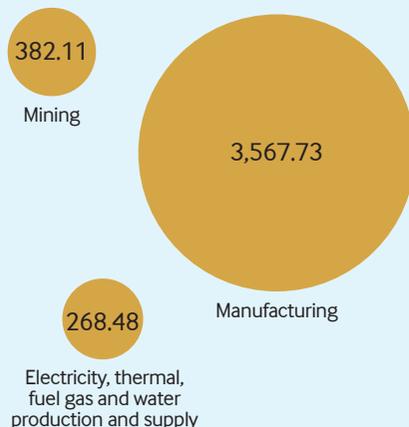
The photovoltaic (PV) industry posted fast expansion in the first half of this year as China strives to peak carbon dioxide emissions and achieve carbon neutrality, according to the Ministry of Industry and Information Technology.

The country produced 238,000 tons of polysilicon in the January-June period, up 16.1 percent year on year, data from the ministry showed. In June alone, the output reached 42,000 tons.

In the first six months, total silicon wafer production in the country reached 105 GW, up 40 percent year on year.

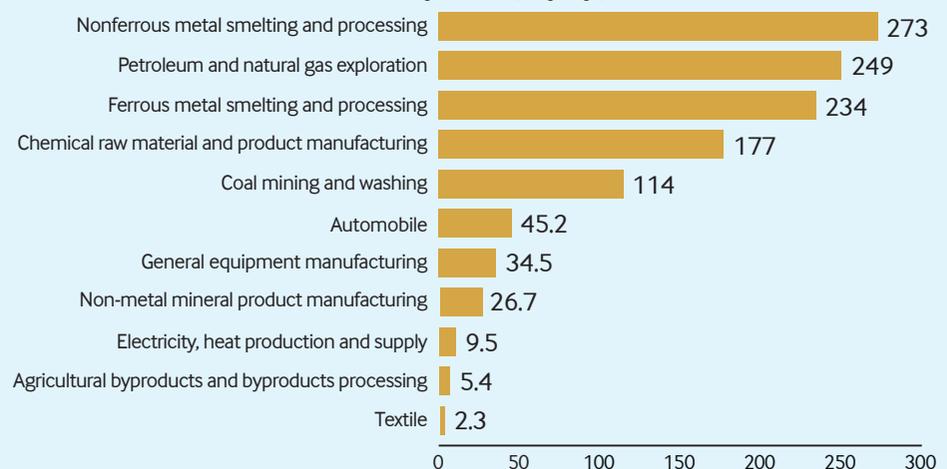
### Industrial Enterprises' Profit By Sector

January-June (bln yuan)



### Profit Changes for Major Sectors

January-June (% y.o.y.)



(Source: National Bureau of Statistics)

# THIS WEEK **WORLD**



## GREECE

Firefighters and a helicopter work to put out a wildfire fanned on by strong winds in the eastern Attica region, on July 27



## VIET NAM

Nguyen Xuan Phuc is sworn in after being reelected as Vietnamese president in Hanoi on July 26



## GERMANY

Smoke rises from the explosion site at an industrial park for chemical companies in the city of Leverkusen on July 27. At least one person died and four others remained missing as of July 28



## IMF

Gita Gopinath, chief economist of the International Monetary Fund (IMF), speaks during a virtual press briefing in Arlington, Virginia, U.S., on July 27. The IMF maintained its global economic growth forecast at 6 percent for 2021



## EUROPEAN UNION

European Commission President Ursula von der Leyen makes a statement on the EU's Vaccines Strategy in Brussels, Belgium, on July 27. She announced that 70 percent of adults in the EU have thus far received at least one vaccine dose against COVID-19



## TANZANIA

President Samia Suluhu Hassan shows her vaccination card after being inoculated in Dar es Salaam on July 28. Tanzania started a mass vaccine campaign that day



## NEW PINGPONG QUEEN

The world's No.1 female table tennis player **Chen Meng** lived up to her reigning status by claiming the gold medal in the table tennis women's singles competition on July 29 at the Olympic Summer Games Tokyo 2020.

Chen, 27, started to play table tennis at the tender age of five and made it onto China's national table tennis team six years later.

It's another major title for top-ranked Chen, following her success at the Table Tennis World Cup in November last year.

Her teammate Sun Yingsha took home the Olympic silver. On the same day, Fan Zhendong and Ma Long made up an all-Chinese men's singles table tennis final, resulting in China securing both Olympic table tennis gold medals in the singles events.



## Monetary Policy

**People's Daily**  
July 26

On July 15, the People's Bank of China (PBC), the country's central bank, lowered the reserve requirement ratio (RRR), the amount of cash that banks need to hold as reserves, by 50 basis points, releasing about 1 trillion yuan (\$154.3 billion) worth of long-term funds. The action reduced the weighted average RRR for financial institutions to 8.9 percent.

The RRR cut aims to improve the fund structure of financial institutions and boost their capabilities in terms of financial

services to improve support of the real economy, the central bank said.

Financial institutions could use part of the released funds to repay the maturing medium-term lending facilities. Some funds will also fill the liquidity gap in the tax payment season coming up in late July. The reduction has lowered the fund costs for financial institutions by some 13 billion yuan (\$2.03 billion) each year, according to the PBC calculation.

Rather than resorting to a "flood-like" stimulus, the PBC pledged to uphold a normal monetary policy while keeping it stable and effective to create a suitable monetary and financial environment.



## Relishing Cultural Ties

**China Newsweek**  
July 19

This year marks the 50th anniversary of the establishment of the China Cultural Relics Exchange Center in 1971, raising the international curtains on overseas unearthed historical relic exhibitions. From that moment onward, cultural ties have been promoted as a way to enhance people-to-people exchanges between China and the rest of the world.

On May 8, 1973, a first event, the

"Ironically, the solution to the real problems facing the U.S., and the only way for it to quickly Build Back Better is to cooperate with, rather than sabotage, the Belt and Road Initiative."

**William Jones**, a Washington-based policy analyst, in an article on *China Daily* on July 28

"More than 50 percent of U.S. citizens have been fully vaccinated, but only 1 to 2 percent of people in lower-income countries have received their first dose. To stop the virus from circulating and continuing to mutate, we urgently need to address this vaccine divide."

**Seth Berkley**, Chief Executive of Gavi Alliance, in an article published by *The Washington Post* on July 26

Exhibition of Unearthed Chinese Cultural Relics, opened its doors to the public in Paris, France. The exhibition ran for four months and visitor numbers went up to 365,000.

The Chinese culture has been producing great art for more than 5,000 years at this point, yet the world knew so little about the continuum of Chinese history, how unbroken it remains; how magnificent it is. “Holding an exhibition is a way to show the world how wonderful Chinese cultural relics have been for millennia on end,” said Zhao Gushan, Deputy Director of the China Cultural Relics Exchange Center.

Overall, the Sanxingdui Museum in Sichuan Province has proven a big winner in the development of cultural relic exhibitions overseas. In 1998, the exhibition entitled *The Mystery of China’s 5,000 Years—The Magical Mask Kingdom* took place in Tokyo, Japan. It was the largest Sanxingdui Museum overseas exhibition ever, with more than 200 cultural relics on display.

This year, as more than 1,000 significant relics have been unearthed from new sacrificial pits at the legendary Sanxingdui Ruins site, the uncovered cultural relics are just as large in scale as they are splendid in nature, a true testament to the diversity and similarity of ancient global civilizations. Their discoveries will also help promote the cultural exchanges and cooperation between China and the four corners of the globe.

## Medical Insurance Payment

**Economic Daily**

**July 22**

More efforts will push hospitals to share information on medical examinations and facilitate the reimbursement of medical costs across provinces, according to a recent State Council executive meeting.

As for inter-provincial network institutions, it should be ensured that at least one designated medical institution can provide direct cross-province payment for medical expenses in each county by the end of next year.

Medical insurance payments across provincial borders can reduce the pressure

on patients to advance funds and reduce the stress of traveling back and forth. However, due to the different degrees of economic development, there have always been differences in the level of medical services and medical insurance premiums in various regions.

Therefore, to solve the problem of medical treatment in different places, it is not only necessary to open up the settlement platform, strengthen network connections, but also to realize the sharing of medical insurance information and data.

Further efforts must reinforce the cultivation of medical personnel and the use of digital technology in healthcare, calling for enhanced medical services at the county level.



## CHINA’S NEW U.S. AMBASSADOR

China’s new ambassador to the United States **Qin Gang** arrived in the country on July 28. He pledged to work to get bilateral relations back on track.

“Looking forward to the coming time in the country,” the 55-year-old former vice foreign minister said in his first Twitter post after landing in New York on the same day.



Qin will assume office as China’s 11th ambassador to the U.S., following the departure of his predecessor, Cui Tiankai, who completed his tenure of eight years and returned to China on June 23.

Qin’s service at the Chinese Embassy in Washington D.C. comes at a time when the bilateral relationship is viewed by many experts as being in a downward spiral, as the two countries have clashed on a number of issues.

“China is more than 17,300 km away from Bolivia, but that distance has never been, and will not be, an obstacle to strengthening our ties of brotherhood and cooperation.”

**Evo Morales**, former Bolivian President, in an interview with Xinhua News Agency on July 26

“China’s recent rise in vaccine development capability can be attributed to sustained support in basic sciences, including pathogenic biology and immunology.”

**Gao Fu**, head of the Chinese Center for Disease Control and Prevention, said at the 23rd Annual Meeting of the China Association for Science and Technology on July 27



COVER STORY

# SET SAIL HAINAN!

Hainan Free Trade Port on fast track of development By Tao Xing