

BUSINESS

Briefly

Delivery industry to get green hue

China will promote the green development of the postal and courier industry this year with the wider application of recyclable express delivery packaging and new energy vehicles, in a bid to reduce pollution and carbon emissions, postal authorities said. The country will roll out policies to standardize packaging operations, reduce over-packaging, and encourage the recycling of packaging boxes, Ma Junsheng, head of the State Post Bureau, said at the bureau's annual work conference. Some 10 million recyclable packing boxes will be used next year, and 700 million corrugated boxes will be reused, according to the conference. The industry will use more new-energy and clean-energy vehicles and explore the construction of green distribution centers, he said.

Shenzhen Port puts up good show in 2021

The annual container throughput of Shenzhen Port in the southern Chinese city of Shenzhen in Guangdong province totaled 28.77 million twenty-foot equivalent units or TEUs in 2021, up 8.4 percent year-on-year, a record high, local authorities said. In 2021, the number of international liner routes linking the port reached 302, up from 241 in 2020, according to the city's transport bureau. Authorities are also pushing forward new projects in the port. A smart terminal at the Nanshan harbor area was put into operation in June 2021, and the construction of a container terminal affiliated to the Yantian harbor area started on Dec 8, 2021. Currently, Shenzhen Port can harbor 12 200,000-ton container vessels, the bureau said.

JD helps promote e-CNY online

Chinese e-commerce giant JD announced on Friday it now enables third-party vendors to access China's digital renminbi, or the e-CNY, further enriching the application scenarios of the digital currency in JD's ecosystem. JD Technology, the fintech arm of JD, has formed a partnership with the Digital Currency Research Institute of the People's Bank of China, the central bank, in a bid to jointly promote mobile function innovation of the digital renminbi and online-and-offline scenario application.

XINHUA - CHINA DAILY

RIGHT TRACK



Employees monitor the chip-making production line at a tech company in Southwest China's Chongqing. LIU HUI / FOR CHINA DAILY

No end in sight for global chip shortage

Experts see crunch easing a bit this year despite digital transformation, COVID-19

By MA SI and FAN FEIFEI

The global chip shortage is likely to last throughout this year, experts said.

Crimped supplies, they said, are struggling to match growing demand from makers of digital products and service providers amid accelerated digital transformation necessitated by COVID-19.

But the shortage this year will not be as severe as it was in 2020 and 2021, which devastated supply chains. Also, the shortage will not affect all chip varieties.

Ariane Bucaille, leader of Deloitte global technology, media and telecommunications industry, said in a report: "The COVID-19 crisis continues to accelerate our adoption of technology and increase our levels of connectivity via the digital world.

"There is enormous demand for chips as more and more products become digitally connected, powering everything from our multiple devices to smart vehicles. And connectivity is only going to expand with such technologies as 5G, reinforcing the rapid digital transformation all industries and businesses are currently witnessing."

The Deloitte report said custom-

ers in mid-2021 were waiting between 20 and 52 weeks for multiple kinds of semiconductors, causing manufacturing delays or shutdowns, which led to revenue losses in tens or even hundreds of billions of dollars.

By the end of this year, those lead times will be closer to 10-20 weeks and the industry will be in balance by early 2023, the Deloitte report predicted.

Amid the current shortage of chips, many semiconductor companies are beefing up their efforts to build new production capacities. In September, German chipmaker Infineon Technologies AG opened its factory of high-tech, 300-millimeter wafers, which are used in power electronics, at its Villach site in Austria.

At 1.6 billion euros (\$1.81 billion), the investment made by the semiconductor group represents one of the largest such projects in the microelectronics sector in Europe.

But a resurgence of COVID-19 cases across the world is adding more uncertainty to the situation. The outbreak in Xi'an, Shaanxi province, is affecting the output of computer memory chips from US chip giant Micron Technology Inc.

Micron, which has a chip packag-

ing and testing plant in Xi'an, said in a statement: "We are working with suppliers operating in this region that face similar challenges. We are also working with local government officials to identify solutions that will enable us to minimize impact of the situation and maintain operations at the site safely."

South Korean tech behemoth Samsung Electronics Co Ltd said its chip plant in Xi'an is still "running" and it has "temporarily adjusted" operations amid a COVID-19-related lockdown in the city.

"This decision was made in accordance with our commitment to protecting the health and safety of our employees and partners, which remains our top priority," the company said in a statement.

"We will also take all necessary measures, including leveraging our global manufacturing network, to ensure that our customers are not affected."

As for the shortage of chips used by the global smartphone industry, Chinese companies are more optimistic. Wang Xiang, president of smartphone-maker Xiaomi, said earlier the chip crunch is likely to be eased significantly in the second half of this year, based on the company's communication with supply chains.

Contact the writers at masi@chinadaily.com.cn

Data security a priority for internet companies seeking overseas IPO

By FAN FEIFEI
fanfeifei@chinadaily.com.cn

Data security and data compliance should be a priority for Chinese mainland internet companies seeking an initial public offering overseas, as the country will implement new rules that require firms holding large amounts of user data to get approval from regulators before listing overseas, industry analysts said.

They noted the costs of compliance for enterprises listing overseas will be on the rise, and regulation is likely to drive more Chinese mainland technology enterprises to list on the Hong Kong stock exchange.

Internet platform operators with data on more than 1 million users are required to undergo a security review before listing their shares overseas, a newly revised regulation on cybersecurity review unveiled on Tuesday said.

The regulation was released by 13 government agencies. They include the Cyberspace Administration of China and the National Development and Reform Commission, and will come into effect on Feb 15. It aims to further ensure cyberspace and data security, as well as safeguard national security.

Danny Weng, PwC China cybersecurity and privacy partner, said the regulation puts a focus on the impact or possible impacts of the data processing activities by platform operators on national security, and emphasized the significance of cybersecurity.

"Companies should take data security and data compliance seriously, whether they choose to go public in Hong Kong or overseas," said Weng.

Weng's views were echoed by Zhong Junyi, an expert on data security from security company Qi-Anxin Technology Group, who said the risk assessment of data security and analysis of data compliance, which means data processors know what to do and what not to do, is still a prerequisite for enterprises seeking IPOs in foreign markets over the long run.

Regulators will assess whether the public listing of a company may lead to key information infrastructure, core data, important data or a large amount of personal information being affected, controlled or maliciously used by foreign governments, according to the new rule.

Moreover, Hong Kong has become a popular destination for Chinese mainland technology IPOs amid the strengthened regu-

lation in the cyberspace and data security domain, experts said.

Shen Meng, director of boutique investment bank Chanson and Co, said the new rule has relaxed the cybersecurity reviews requirement for IPOs carried out by Chinese mainland technology companies in Hong Kong, which is expected to draw these companies and those previously listed in the United States.

Hong Kong is part of the international capital market, just like New York and London where institutional investors can buy and sell financial products via stock exchanges, said Liao Ming, founding partner of Prospect Avenue Capital, an investment firm which focuses on China's technology sector.

However, Hong Kong investors usually prefer asset-heavy companies with good profitability and strong dividend capabilities, such as those in the financial, real estate, consumer and retail industries, Liao said, adding they have a low tolerance for money-losing outfits.

250 billion yuan

the expected revenue of the country's cybersecurity industry by 2023

Last month, Didi Global Inc, the country's largest ride-hailing company, announced it will immediately start delisting from the New York Stock Exchange and prepare to list in Hong Kong. Chinese mainland regulators launched a cybersecurity probe into the company to protect national security and the public interest in July.

Cybersecurity company 360 Security Group said the newly revised regulation has further improved the country's cybersecurity review mechanism and greatly enhanced public awareness over data security protection.

It also provided explicit compliance guidelines for critical information infrastructure that purchase network products and services, and network platform operators that conduct data-processing activities, and bolstered them in increasing investment in the cybersecurity segment.

The revenue of the country's cybersecurity industry is expected to exceed 250 billion yuan (\$39.1 billion) by 2023, with a compound annual growth rate of over 15 percent, a draft three-year action plan released by the Ministry of Industry and Information Technology said.



Visitors view information about data security during an expo in Zhengzhou, Henan province. LIU XU / FOR CHINA DAILY

Kazakhstan situation stirs energy security talk

By LIU ZHIHUA
liuzhihua@chinadaily.com.cn

Following unrest in neighboring Kazakhstan over fuel price hikes, power industry experts in China on Friday highlighted three key measures that they said would ensure energy security in the country.

China, they said, should diversify its import sources of oil and natural gas, increase domestic output of shale oil and gas, and improve utilization of new energy while honoring its carbon commitments.

Their comments emerged as Chinese energy companies have some of their overseas projects like oil and gas pipelines in Kazakhstan. The unrest caused concern among industry insiders about potential risks to both

asset operations and employees.

Experts, however, exuded confidence that the Kazakhstan situation may have limited impact on the deliveries of oil and gas to China.

China National Petroleum Corp, a major Chinese enterprise that operates multiple energy projects in Kazakhstan, declined to comment on the situation.

Lin Shen, a researcher with the Institute of World Economics and Politics, which is part of the Chinese Academy of Social Sciences, said: "The situation in Kazakhstan has caused market panic over tightening supplies, but the impact on the deliveries is limited and manageable, because the pipelines are often located in remote areas and are designed with systemic protection

mechanisms to fend off destruction during emergencies."

It is widely hoped that the unrest will subside soon. Stable operations of the pipelines and other energy infrastructures in the Central Asian country will benefit not only China and Kazakhstan but also other major energy importers such as Japan and India, he said.

As China imports more than 70 percent of its crude oil requirements and nearly half of natural gas consumption, analysts stressed the importance of China reducing reliance on energy imports, especially considering geopolitical uncertainties.

Lin Boqiang, head of the China Institute for Studies in Energy Policy, Xiamen University, said China must rely on domestic energy supplies, and

that requires progress in technologies and better utilization of new energy in the long run.

Feng Lianyong, a professor with the School of Economics and Management at the China University of Petroleum (Beijing), said China must reinforce innovations and applications of advanced technologies to make full use of its natural resources and strengthen domestic production of unconventional oil, natural gas, hydrogen, and methane.

The nation should also develop new sources and transportation routes for oil and gas imports, to reduce reliance on existing approaches, he said.

Zheng Xin contributed to this story.

Hisense makes powerful brand statement at CES 2022

LAS VEGAS — Unlike some other large tech companies and manufacturers that opted to give CES 2022 a miss this year due to the COVID-19 pandemic, Chinese consumer electronics and appliance manufacturer Hisense showed up firing on all cylinders.

"CES is a very important high-profile world stage for us to make our brand statement heard," said Zhou Mengya, a marketing manager of Hisense. "We face the threat of COVID every day, but we are a strong team and knew we could approach CES with confidence."

The Hisense exhibition area — one of the largest at the expo which

kicked off in Las Vegas on Wednesday — is situated in the Central Hall and stands shoulder-to-shoulder with giants like Sony, Bosch, Samsung and TCL. It was filled with spectators attracted by the huge ULED and LED screens filled with lifelike, eye-catching images flashing across the board.

Hisense is a Chinese global television manufacturing company that has grown to become the fifth-largest TV retailer in the United States.

"Technology can change lives. Hisense is always dedicated to delivering high-performing, high-quality products that exceed consumers'

expectations," Douglas Kern, senior director of marketing for Hisense USA, said to the news media during the trade show.

Their display technology runs the gamut from residential TVs to commercial and medical displays and more. For home viewers, Hisense promises a TV viewing experience that is "Big. Bold. Beautiful."

The company showcased its next-gen ULED 8K Mini-LED series and the world's first 8K resolution laser display technology solution to CES. Hisense's 85U9H 8K TV has been recognized at the expo as a CES 2022 Innovation Award Honoree.

James B, an appliance vendor looking for high-end TV systems to integrate into newly constructed, luxury homes in Arizona for retirees, likes what he saw at the Hisense exhibition area.

"Hisense always has nice displays at CES," he said. "The laser TV they've been talking about for the last two or three years is finally coming to market. It is a triple laser technology and the wider color gamut that you really want."

Hisense has also teamed up with Roku to offer a vast library of content on their signature screens and their products work with Google's Alexa.

Due to COVID-19, getting to Vegas this year was filled with a whole new set of challenges, Zhou said. Though they have a US headquarters in Suwanee, Georgia, they needed to bring in an expert on their medical display technology from one of their overseas operations to properly introduce it to the US market.

"That was a challenge," a laughing Zhou said. "But luckily it turned out fine, thanks to our global team."

The company also offers a smart kitchen line up of fully integrated and linked appliances, called Connect Life, which includes smart refrigerators, freezers, dishwashers and beverage/wine coolers, all controlled by a touchscreen TV.

"The TV controls everything,"

explained Zhou. "We use our big advantage of being a TV company for more than 50 years to use the TV as the central, convenient piece of our smart home control system."

"It was important for us as a Chinese brand to have a strong presence here at CES," she said, explaining why Hisense made a point of showing up in force at the high-profile Central Hall during the pandemic.

She feels Chinese companies used to be much smaller companies in supporting roles in the trade show, but many, like Hisense, have grown into innovative global brands in their own right and have taken their rightful place in the Central Hall at CES.

XINHUA