BUSINESS

Maoming East-Bohe Port freight line starts operating

By HAN JINGYAN and ZHUANG QIANGE

The nation sees its efforts in infrastructure bearing fruit as a new freight rail line was put into operation recently.

As a key part of the infrastructure projects listed on Guangdong's 14th five-year plan (2021-25), the Maoming East-Bohe Port Railway started operating on Saturday, said China Railway 24th Bureau Group Corp Ltd (CR24), a unit of the centrally administered State-owned enterprise China Railway Construction Corp.

The official opening of the new railway marks the efforts by the SOE to play a bigger role in the Belt and Road Initiative, said CR24, which partially built the freight line.

As a key logistics route connecting inland regions in Southwest China with coastal areas, the railway will further facilitate the role that Maoming Port plays in sea-rail intermodal transport services and provide the port with a high-capacity channel for the entry and departure of cargo, said China Railway Guangzhou Group Co Ltd, the provincial rail operator in Guangdong.

The railway will also exert great force in pushing for Maoming and its surrounding area's integration into the Guangdong-Hong Kong-Macao Greater Bay Area, improve connections between international and domestic trade routes and contribute to better operation of the dual-circulation development pattern, said Tan Ying, project manager with CR24.

The railway has a total length of 49.84 kilometers and a designated speed of 120 kilometers per hour with three stations: Maoming East Station, Shuangmu Station and Bohe Port Station.

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As a flagship project by Guangdong province for the railway construction goals indicated in its 14th five-year plan, the railway will also support Maoming's coastal development strategy, said Zhang Yejun, head of Maoming East-Bohe Port Railway Co Ltd, operator of the railway under the China Railway Guangzhou Group.

"Maoming is a coastal city and its port businesses play a major part in its economy. The railway project is a worthy effort by State builders to empower the city to attract more trade opportunities," Zhang said.

Undoubtedly, the Maoming-East Bohe Port Railway, another project supporting the BRI, is bound to bring long-term benefits to the development of not only the region but also the country and its trading partners, he added.

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The first freight train departs from Bohe Port station for Maoming East station in Guangdong province, on Saturday.
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An employee works at a smart production facility in Tianjin in June. ZHAO ZISHUO / XINHUA

Digitalization gaining ground in China on wider application

IDC: Investment from Chinese firms into digital solutions to boom in next 5 years

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Chinese enterprises' expenditures on digital businesses will witness speedy growth in 2023, as cutting-edge digital technologies, such as 5G, artificial intelligence and cloud computing, have been increasingly applied into a wide range of fields and integrated with the real economy, according to market research company International Data Corp.

The digital transformation of enterprises will stand at an inflection point this year and the next five years will still be a golden period for pushing forward digitalization, IDC said, expecting more than 50 percent of the global GDP will be driven by digitally transformed enterprises in the next five years.

"Chinese companies' investment in digital transformation is expected to quadruple its economic growth in 2023, with the compound annual growth rate of digital business expenditures reaching 19.1 percent between 2023 and 2026," said Wu Lianfeng, IDC China vice-president and chief research analyst.

Wu said by 2027, 40 percent of the total revenue for China's top 2,000 companies will be generated by digital products, services and experiences, while the current figure stands at less than 20 percent.

Spending on digital technologies will still be the key focus of both global and Chinese company executives. The number of technology enterprises among China's top 500 companies will double by 2027. In addition, by 2024, 40 percent of CEOs from China's top 2,000 companies will ink strategic relationships with their cloud computing service providers, according to IDC.

The proportion of enterprises' expenditures in software as a service, or SaaS, business across the globe is likely to surpass 50 percent in total expenses. By 2026, enterprises that fail to effectively address the talent and digital skills gap in their organizations will constrain revenue growth opportunities by 20 percent.

With the blossoming of 5G, big data, AI and other innovative digital technologies, the digital economy is gradually becoming the integral driving force for economic growth.

The scale of China's digital economy reached 45.5 trillion yuan ($6.6 trillion) in 2021, ranking second in the world and accounting for 39.8 percent of the country's GDP, according to a white paper released by the China Academy of Information and Communications Technology.

Enterprises in the fields of finance, telecommunications and the internet have taken the lead in digitalization and invested heavily in digital technologies, Wu said, adding that governments around the world have attached great significance to digitalization.

Digital transformation is also accelerating in the new retail, high-tech manufacturing and transportation sectors, and there is huge room for growth in agriculture, Wu said.

Last January, the State Council, China's Cabinet, announced a plan to further promote the development of the digital economy during the 14th Five-Year Plan period (2021-25). The country aims to raise the proportion of the added value of core digital economy industries in its GDP to 10 percent in 2025, according to the plan.

Wu also pointed out that Chinese enterprises are facing mounting difficulties and challenges in the process of digital transformation, such as a lack of innovation and collaboration among various departments of enterprises, budgetary shortfalls and inadequate skills. He called for enterprises to come up with long-term plans for digital transformation and continuously pour money into this field.

The digitalization of enterprises serves as the cornerstone of the digital economy, said Li Wei, deputy head of cloud computing and big data research at the CAICT, adding that the COVID-19 pandemic has accelerated the development of cloud services and cloud computing applications, which has played a vital role in bolstering the development of the digital economy.

Enterprises should speed up the pace of digital transformation, concentrate on consumers' requirements, and integrate online and offline channels, as well as promote the transformation and upgrading of traditional industries, Li said.

Xiang Ligang, director-general of the Information Consumption Alliance, a telecom industry association, said emerging digital technologies represented by 5G, big data and AI have played a critical role in enhancing operational efficiency, cutting costs and improving the core competitiveness of traditional industries amid downward economic pressure.

Fintech biz gains popularity among global investors

By JIANG XUEQING
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The global fintech market attracted nearly $220 billion of investment in 2022, of which technologies related to payments, cryptocurrencies, banking services, and asset and wealth management contributed nearly 80 percent, said global management consulting firm McKinsey & Company.

There were several changes to trends in financial technology investment. The amount of money raised in a Series D funding round or later rounds accounted for nearly 65 percent of the total last year, up from about 35 percent in 2020, signifying that investors paid more attention to business and monetization models than fresh ideas, said McKinsey in a recently published report.

While the majority of fintech investment came from Europe and North America, which contributed 72 percent of the total last year, such investment increased rapidly in emerging markets. Asia saw an 18 percent growth year-on-year, higher than the 5 percent growth in Europe and North America during the same period.

Although private equity firms remained as primary fintech investors in 2022, their investment in this field dropped by 14 percent year-on-year. At the same time, technology companies' investment in financial technologies increased significantly by 63 percent year-on-year, revealing their intention to open another front in the financial sector by making strategic investments, the report said.

McKinsey listed artificial intelligence, cloud computing, metaverse, blockchain and Web 3.0, next-generation communications, next-generation integrated development, and trust frameworks and digital identities as the seven technologies that will reshape the pattern of the financial sector in the future.

"These technologies will have a disruptive impact on financial institutions in various aspects, including marketing, product development and operational risk management. Financial institutions should continuously provide drivers for their business innovation and the development of the fintech ecosystem by building their own innovation incubators, joining hands with external agencies to develop fintech accelerators or establishing a fintech investment fund," said John Qu, senior partner at McKinsey.

Large banks, insurers and securities companies have gradually turned from experimenting with fintech applications to widely promoting the use of such applications, said Han Feng, partner at McKinsey.

"We believe that fintech applications will enhance the customer experience, foster product innovation and significantly improve business efficiency," Han said.

Earlier this year, Industrial and Commercial Bank of China, the country's largest State-owned commercial lender by assets, launched a metaverse business hall in Xiong'an New Area of Hebei province.

Using the flagship business hall of ICBC as a prototype, it can provide an immersive experience and varied interactions with clients through the integrated adoption of digital twin modeling, content generation and intelligent interaction technologies.

The bank plans to expand the pilot program for the creation and operation of a metaverse business hall to its Beijing and Shanghai branches, said Jin Haimin, assistant general manager of the financial technology department at ICBC.

"We are exploring future application scenarios of the metaverse in the banking sector in a prudent manner, striving to seize the initiative in terms of technological innovation and the reform of business models," Jin said.

Many other banks listed in China are also promoting digital transformation and deeper integration of business and technology.

China Construction Bank Corp continued to polish its expertise in technological capabilities by building platforms using artificial intelligence, big data, blockchain, the internet of things, mobile networks and agile development. The large State-owned commercial lender also independently developed blockchain technology and enhanced core technological capabilities to support key applications such as trade finance and cross-border payments, said the bank's 2022 interim report.

Bank of China, another large State-owned commercial lender, takes digital transformation as a strategic reform to continuously enhance its capabilities to serve the real economy, said Liu Jin, president of BOC, at the Annual Conference of Financial Street Forum 2022 in Beijing in November.

Liu advised financial institutions to deepen the application of technologies such as AI and IoT in environmental, social and governance activities to build targeted and effective evaluation models and launch new financial products, thus better meeting the demand for green finance.

An employee of Bank of Communications interacts with a smart robot promoting payment through digital renminbi during an expo in Beijing in September. JIN HAOYUAN / XINHUA