

SOE MATTERS

RIGHT TRACK

Reforms to enable State firms’ tech innovation

More measures in pipeline to boost exports, capital management, R&D, overseas operations

By ZHONG NAN in Beijing and LIU MINGTAI in Changchun

Alongside China’s goal of building a group of world-class State-owned enterprises that lead in high-quality development over the long term, the government will roll out a number of reform measures to further enhance their core technology innovation, exports and capital management, said a senior State asset regulator.

Weng Jieming, vice-chairman of the State-owned Assets Supervision and Administration Commission of the State Council, said the government will pay more attention to SOEs’ returns in areas such as investment into research and development, overseas operations, net assets, revenue margins and added value to boost their quality and efficiency during the post-pandemic era.

Since the SASAC launched a program to build more world-class companies in late July, both centrally and locally-administrated SOEs have moved quickly to study and formulate implementation plans for optimizing their resources and management efficiency.

Among 97 central SOEs, 73 have now mobilized and assigned work across their groups by convening meetings alongside other means. Thirty-four local State asset regulators have issued guidelines to the supervised SOEs.

As the central government will release its three-year action plan for State-owned enterprises (2020-22) soon to enhance the nation’s efforts to steer the economy toward inno-



A CNOOC employee uses a wireless communication device on an offshore drilling platform in the South China Sea. WANG YUGUO / FOR CHINA DAILY

vation and technology-driven high-quality growth, the official said that for the next stage, the SASAC will create a sound environment for reform so that businesses of all kinds of ownership can realize integrated and common development.

Thanks to China’s early recovery from the COVID-19 pandemic, most of the central SOEs should strive to achieve relatively steady growth in the second half, said Weng, adding that more efforts should be made to deepen reforms, defuse major risks and optimize and stabilize industrial and supply chains.

Eager to diversify its business scope, China National Offshore Oil Corp and French energy group Total SA — one of the top four petrochemical engineering companies in the world — reached an agreement on a liquefied natural gas trade deal

through the Shanghai Petroleum and Natural Gas Exchange’s (SHPGX) online international LNG trade system last month.

This was the first online international LNG deal, showing that the LNG business has stepped onto the digital stage.

The world’s third-largest and China’s largest LNG importer — CNOOC — has been seeking innovative operation models. The company joined hands with the SHPGX and launched several projects including one-stop LNG importing, transmitting natural gas from southern to northern regions and advance sales for heating in winter.

CNOOC also began using multimodal transport in LNG tanker logistics, which contributed to clean energy supply.

Jilin province-based Changchun

Yidong Clutch Co Ltd, a Shanghai-listed company and a subsidiary of China North Industries Group Corp Ltd — a Beijing-based central SOE — saw sales revenue and profit of its main business surge 16.31 percent and 66.27 percent, respectively, on a yearly basis in the first half, thanks to its shift of innovation focus alongside timely work and production resumption in the second quarter.

Even though China’s auto manufacturing sector, especially passenger vehicles, saw a decline in profits over the past two years, Changchun Yidong started to focus on producing high-horsepower clutches and next-generation vibration dampers for trucks and construction machinery by setting up new research and development facilities in Suzhou and importing high-end stamping

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Liu Xingguo, a researcher at the China Enterprise Confederation

2.19 million

total auto sales in China in August, up 11.6 percent year-on-year, according to China Association of Automobile Manufacturers

months of positive growth. The market is expecting a better performance in the traditional peak months of September and October, according to the latest prediction and statistics released by the China Association of Automobile Manufacturers, which said August sales reached 2.19 million units, up 11.6 percent year-on-year and 3.5 percent month-on-month.

The CAAM said a consumer confidence boost followed the government’s launch of consumption season activities and promotional events for new energy vehicles in rural areas.

Experts said the current headwinds brought by the pandemic and weak global demand have highlighted the necessity of relying on reforms to unleash vitality for sustained growth. The layout and structure of the State-owned economy will be adjusted around the goal of building a modern economic system.

Key fields of reform now include market-based allocation of production factors, SOEs, the fiscal and financial system, the piloting of free trade zones, the further opening of the country to foreign investment as well as continued stability of the supply chain, said Liu Xiangdong, a researcher at the China Center for International Economic Exchanges.

“Through mergers, acquisitions and restructuring, State-owned capital should gravitate more toward emerging industries, advanced manufacturing and trade in services,” said Liu Xingguo, a researcher at the China Enterprise Confederation.

He said the capital market will play a major role in SOE reform as a platform for financing, stock issuance as well as mergers and acquisitions.

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From left: The Ningbo Talent Family is a network of talent service centers located throughout the city, offering one-stop business services for professionals. The first talent family center opens in Ningbo’s Jiangbei district in April. PHOTOS PROVIDED TO CHINA DAILY



Ningbo creating an ideal business environment for talented professionals

By YUAN SHENGGAO

Ningbo authorities are working at full speed to attract as many talented professionals as possible from home and abroad to support its growing economy, and when they get there, the city in East China’s Zhejiang province is doing everything it can to ensure the business environment is second to none.

To offset the negative effects in terms of recruitment during the COVID-19 pandemic, Ningbo has held 339 online job fairs since February, offering 192,000 high-quality jobs. The city also introduced 42,000 young people to its local enterprises.

In global terms, Ningbo has worked with overseas talent recruitment platforms, and has more than 110,000 talented professionals who have signaled their intentions to work in the city. In addition, 61,000 college graduates have found jobs in Ningbo in the first half of 2020.

Ningbo has established six entre-

preneurship parks across the city, which so far have attracted 205 State-level talents and a raft of provincial and city-level talents to establish business operations.

He Fan is the chairman and general manager of Westbart, a Sino-German joint venture that develops and manufactures flexible semiconductor sensors and automotive electronic systems. He and his company were attracted to settle in Ningbo’s Haishu entrepreneurship park in 2016.

The entrepreneurship park focuses on the digital economy, covering artificial intelligence, industrial internet and intelligent sensing.

With the help of the park, Westbart found a suitable site to locate its dust-free plant in the district.

“At that time, almost every two weeks, the officials with the Haishu entrepreneurship park, together with the officials of various towns and villages, inspected suitable sites for us. After half a year, we finally chose Gaoqiao town as the location



A staff member guides a job seeker at a job fair in Ningbo. Since February, the city has hosted 339 online job fairs.

of our plant,” He said.

Surgrnova Healthcare Technologies (Zhejiang) was founded in 2016 in an entrepreneurship park in Cixi, a county-level city under the

administration of Ningbo.

The company has established a research and development team comprising more than 60 professionals, and has built up more than

10 high-end medical device R&D centers.

An official at the Cixi entrepreneurship park said that the park focuses on the coordinated development of new materials, new energy and healthcare and pays close attention to the integration of talents, R&D and industries.

The park is home to 70 projects, attracting 29 national-level talents, 10 provincial-level and 28 city-level talents.

In addition, Ningbo has stepped up its efforts to provide talented professionals with considerate and convenient services for them to conduct business with ease.

The Ningbo Talent Family is a network of talent service centers located throughout the city, aiming to offer one-stop and full-cycle business services for professionals.

In April, Ningbo unveiled its first talent family location in Jiangbei district.

The talent family center is home to 43 talent service associations, 67

technology operators, 23 investment and financial institutions and has served more than 20,000 people so far.

Another talent family center was launched in Ningbo’s Fenghua district on Saturday, and provides administrative services, financial counseling and legal advice for startups.

The talent family in Fenghua district is equipped with a comprehensive conference hall on the ground floor. Capable of holding more than 100 people, the conference hall can be used for large-scale capital exchange meetings, project reports and new product demonstrations and promotions.

According to the local government, more talent family centers are to come.

“By the end of this year, we will strive to achieve a talent service network covering all the districts, counties and cities of Ningbo,” said a senior official at the Ningbo Talent Service Center.