

SOE MATTERS

RIGHT TRACK

Central firms roll up sleeves for BRI future

Partnerships, investments planned to deliver economic and social prosperity

By ZHONG NAN
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China's centrally-administered State-owned enterprises plan to deploy more resources in economies involved in the Belt and Road Initiative, said company executives and experts.

Central SOEs will also build closer business partnerships with entities in BRI markets to make the most of the country's timely support for both goods trade and outbound direct investment, they said.

This new resolve comes amid the global fight against the COVID-19 pandemic, they said.

The contagion has put a crimp in economic activity, thereby affecting livelihoods in many countries. So, Chinese central SOEs' initiative will help link people and BRI economies through cross-border solutions.

This is expected to support many regions' efforts to achieve both economic and social prosperity in the post-pandemic era, said Zhang Yongjun, a researcher at the Beijing-based China Center for International Economic Exchanges.

\$13 billion

China's nonfinancial outbound direct investment in BRI economies in the first three quarters

China's nonfinancial outbound direct investment in BRI economies surged almost 30 percent on a yearly basis to more than \$13 billion in the first three quarters, helping sustain confidence in these markets to support their long-term economic growth, according to latest data from the Ministry of Commerce.

Existing investments of Chinese companies, including SOEs, in BRI markets accounted for 16.5 percent of the country's total ODI. The share was up by 4.1 percentage points from the same period last year.

China Energy Investment Corp, or China Energy, announced earlier this month that the No 2 unit of its coal-fired power generation project, involving two 1,050 MW units in Java, Indonesia, passed a 168-hour test run smoothly late last month.

The project is the largest overseas coal-fired plant built by a Chinese company in terms of the installed capacity with China's intellectual property.

The project's main environmental protection indicators are also most advanced in Indonesia, said Wang Shumin, China Energy's vice-president.

Invested, built and operated by the central SOE, this is a highly efficient and green power station with the largest unit capacity, the highest parameters and the most advanced technology in Indonesia, Wang said.

Located in Banten province, the project has a total investment of more than \$1.88 billion and a total installed capacity of 2×1,050MW.

Once the project is fully operable,



PowerChina employees undertake construction work in Bolikhamxay province, Laos, in August. KAI QIAO / XINHUA

the annual power output will be about 15 billion kilowatt-hours, which is expected to improve power supply and drive economic growth in the country.

To facilitate the development of both the BRI and the Global Maritime Fulcrum strategy, Indonesia's grand maritime vision, the project has provided about \$110 million in taxes and created more than 3,000 jobs for local people during construction.

With many countries making notable progress in containing the spread of the COVID-19 pandemic, central SOEs such as Power Construction Corp of China (PowerChina) and China Communications Construction Co Ltd have begun to organize chartered flights to ship experts and workers abroad to support local infrastructure and economic development.

Central SOEs have also sealed new deals in BRI markets in recent months.

China Railway Construction Corp Ltd, or CRCC, signed an agreement for the construction of the Moscow-Kazan highway late last month.

Valued at about \$763.36 million, the project is the first national highway construction in Russia contracted out to a Chinese company.

Starting from Moscow, the highway will pass through Vladimir and Nizhny Novgorod oblasts and terminate at Kazan, Russia's sixth-largest city. Upon completion, travel time between Moscow and Kazan will be shortened to six-and-a-half hours.

The 729-kilometer highway comprises eight sections. CRCC is responsible for a 107-kilometer section, which includes survey and design, construction of subgrades and pavements as well as culverts and bridges, and building of supportive service facilities such as toll stations and gas stations, said Wang Lixin, vice-president of the Beijing-headquartered company.

When the highway becomes operational, the transport time between China, Central Asia and Europe will be greatly shortened, Wang said. It will further drive economic growth of countries and regions involved in the BRI.

Wang Hongyi, an executive researcher at the Institute of West Asia and Africa, which is part of the Chinese Academy of Social Sciences in Beijing, expects that the planning process of the 14th Five-Year Plan period (2021-25) will offer more opportunities for SOEs to think strategically and proactively about how to steer their own transformation and enhance their global market presence, particularly in BRI markets.

"The BRI offers a new impetus to the recovery of the world economy from the changing global situation and growing uncertainties," he said. "The improvement in infrastructure, transportation, healthcare and digital-related manufacturing will not only restore the developing strength of the world economy, but also bring new opportunities to the partnerships between domestic and global companies."



CRHIC employees work on an assembly line in Zhengzhou, Henan province, in February. PROVIDED TO CHINA DAILY

CRHIC produces solid 9-month performance

By ZHONG NAN

China Railway Hi-Tech Industry Co Ltd, a subsidiary of State-owned China Railway Group Ltd, saw both sales revenue and the value of newly signed contracts surge in the first three quarters, thanks to growing demand from markets participating in the Belt and Road Initiative and its diversified business scope.

Despite COVID-19 affecting business operations in many parts of the world, the Beijing-based company's sales revenue surged 18.68 percent on a yearly basis to 18 billion yuan (\$2.69 billion) over the nine-month period, while the value of newly signed contracts jumped 35.26 percent to 30.97 billion yuan.

Many opportunities were seen both at home and abroad amid growing demand for special construction machinery and tunnel-boring equipment. Several new foreign orders for upgraded and renewed infrastructure facilities were also inked along with subway projects, water conservation and underground crossings, said Yi Tiejun, chairman of CRHIC.

After announcing the production of its 1,000th tunnel-boring machine (TBM) late last month,

the company dispatched the equipment to Georgia for the construction of its North-South Corridor (Kvesheti-Kobi) road project.

The mammoth machine measures 15.08 meters in diameter and weighs 3,900 metric tons. It will be deployed in the Mtskheta-Mtianeti region of eastern Georgia to carve out tunnels in the mountains.

With improved technology and supportive services, Yi said the company's TBMs have become popular in markets related to the Belt and Road Initiative and CRHIC has so far exported the machines to 21 countries and regions involved in the initiative, such as Singapore, Malaysia, Italy, France, Poland and Australia.

"The company will continue to seize opportunities brought by the BRI and speed up its overseas expansion during the post-pandemic period," said Yi, adding the company has projects in over 20 countries and regions, and enjoys outstanding advantages in Southeast Asia and the Middle East.

In addition to exporting TBMs, railway equipment and other construction machinery, the company plans to install the steel structure of Bangladesh's Padma Bridge by the end of this year. The bridge will play an important role in the devel-

“The company will continue to seize opportunities brought by the BRI and speed up its overseas expansion during the post-pandemic period.”

Yi Tiejun, chairman of CRHIC

opment of the BRI by crossing the Padma River and connecting the southwest of the country to the northern and eastern regions.

China Railway Steel Structure Co, a CRHIC unit, currently helps the Democratic Republic of the Congo to build mining, manufacturing and supportive facilities after shipping 14,000 tons of steel structures earlier this year. This is the unit's first overseas construction project involving steel structures.

Sufficient power supply, medical goods, international cooperation, stable trade flows, timely production of daily necessities and other living materials are key for China's trading partners to deal with the

pandemic and revitalize their economies, said Sun Fuquan, a researcher at the Chinese Academy of Science and Technology for Development in Beijing.

Supported by more than 12,000 employees and 43 billion yuan in assets, the company currently runs 10 core subsidiaries such as China Railway Engineering Services Co Ltd and China Railway Engineering Equipment Group Co Ltd.

CRHIC also announced earlier this month that an order for turnout junctions serving high-speed maglev trains traveling up to 600 kilometers per hour — the world's fastest such speed for the devices — was signed and built by its subsidiary, China Railway Baoji Bridge Group Co Ltd. The order recently passed inspection in Baoji, Shaanxi province, and is now ready for installation and adjustment.

Its smart control system, flexible design and the precision group welding as well as complete machine processing skills ensure the turnout's construction accuracy and performance, said Yi from CRHIC.

He said the complete turnout assembly technology developed during construction is expected to contribute to future 600 km/h high-speed maglev lines.

Trials for 2 Sinopharm COVID-19 vaccines progress

By LIU ZHIHUA
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China National Pharmaceutical Group Co, or Sinopharm, is stepping up efforts to develop COVID-19 vaccine candidates to contribute to global public health and safeguard the well-being of people around the world.

The third-stage clinical trials of its two inactivated vaccine candidates, developed by the company's vaccine and bioscience subsidiary China National Biotech Group, are being conducted in 10 countries, including the United Arab Emirates, Jordan, Argentina, Egypt and Peru, said Liu Jizhen, the company's chairman.

Currently, there are around 60,000 volunteers, as people from more than 125 nations join the vaccine trials, he said.

Liu spoke at a news briefing held by the Joint Prevention and Control Mechanism of the State Council on Oct 20.

According to an Oct 19 document from the World Health Organization, there are 44 COVID-19 candidate vaccines in clinical evaluation, among which 10 have reached the final stage of testing.

China currently has 13 vaccine candidates in clinical trials, and among them three inactivated vaccines and one adenovirus vector vaccine are in phase three trials overseas, according to the Ministry of Science and Technology.

Zhang Yuntao, vice-president of CNBG and a primary researcher of the COVID-19 vaccines, said the

company's phase three clinical trials of the two vaccine candidates are the largest in terms of recipient population among all the vaccine candidates under the same stage of trials.

The wide coverage of recipients from different countries will also prepare a good foundation for the vaccines to be used globally once they receive regulatory approval after successful trials, he said.

Once safety and efficiency data are obtained during the third-stage clinical trial, the vaccine candidates can apply for the review and approval of the authorities concerned for market launch. Dozens of countries have already contacted the Chinese company to express interest in buying approved vaccines, according to Liu.

In fact, both vaccine candidates have been approved for emergency use in China for incubation in high-risk groups, such as frontline medical personnel, border staff, and people traveling overseas on work.

The UAE also authorized emergency use of a Sinopharm vaccine for frontline workers last month.

Those who received two doses of the vaccines at an interval of 28 days saw their neutralizing antibody positive conversion rate reach 100 percent, Liu said.

Shi Lichen, founder of Beijing Dingchen Consultancy, spoke highly of the efforts that CNBG has made toward the research and development of the vaccines.

"The company has demonstrated high-level R&D capabilities as well as a strong sense of

corporate social responsibility," he said.

CNBG launched inactivated vaccine R&D program on Feb 1, and as of April 12, one of its inactivated vaccine candidates was authorized to start phase one and two clinical trials in China.

On April 27, another inactivated vaccine candidate was also approved for clinical trials.

Since then, more than 4,000 volunteers of various ages have participated in the first- and second-stage clinical trials.

Zhang said vaccine is a "strong weapon" to protect people from infectious disease, and the company is well-poised to provide any approved COVID-19 vaccines to the world.

Sinopharm, a State-owned enterprise and China's largest pharmaceutical and healthcare company, also ramped up efforts to increase vaccine capacity, as China has stated on many occasions that it will make COVID-19 vaccines a global public good when available, to increase vaccine accessibility and affordability in developing countries, including African countries.

CNBG has completed building high biosafety production bases with capacity that will exceed 1 billion vials next year to meet widespread demand for vaccination.

The company offered a tour of its facilities to a team of African ambassadors and senior diplomats recently. Liu said the company is willing to join hands with African people to deepen cooperation in the fight against COVID-19.

This should hopefully strengthen friendship between the Chinese and African peoples, besides contributing to the shared goals of the China-Africa health community.

In June, in a keynote speech to the Extraordinary China-Africa Summit on Solidarity against COVID-19 held via video link, President Xi Jinping remarked that once the development and deployment of COVID-19 vaccine are completed in China, African countries will be among the first to benefit.

Sinopharm will endeavor to honor's China's commitment to Africa, Liu said.

Through medical gear production and distribution, the group already has built a strong presence in the global fight against the pandemic.

With the world's largest medical distribution network at its disposal, the company has provided 3 billion items of medical protection gear to more than 130 countries and regions.

Shanghai Geneoex Biotech Co Ltd, an affiliate of CNBG, is one of the first three companies in China to develop novel coronavirus test kits.

CNBG is also the first in China to develop convalescent plasma treatment for COVID-19 patients. For this purpose, it used blood plasma taken from convalescents, as recommended in the official guidelines for the treatment of the disease in China.

Sinopharm ranked 169th on the Fortune Global 500 last year, and fourth among the pharmaceutical companies on the same list.