

China rides wave of cultural trade

Digital technologies put country's exports of creative products, services in the fast lane

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China's latest push to bolster its creative and cultural trade internationally is expected to cultivate fresh competitive advantages for its exporters, create more jobs and elevate the level of digital technologies in the fast-growing sector, according to government officials and business executives.

They spoke after the Ministry of Commerce and 26 government branches, including the National Development and Reform Commission and the Ministry of Culture and Tourism, issued a guideline in mid-July to promote the high-quality growth of the nation's foreign cultural trade amid the boom in service and the digital economy.

With China taking more measures to deepen reform and opening-up in the cultural field, the policy document said it aims to expand the country's imports of high-quality cultural products and services, and encourage the export of its own high-level radio, film and television programs as well as cultural creative and design services.

The document details specific measures in areas from stimulating the vitality of market entities to fortifying the internationalized development of digital cultural platforms, said Wang Dongtang, director-general of the department of trade in services and commercial services at the Ministry of Commerce.

The government's plan of introducing a nationwide negative list for cross-border trade in services, exploring ways to relax restrictive measures in the cultural field in an orderly manner and expansion of imports of high-quality cultural products and services have highlighted the country's willingness to ensure high-level market competition, he said.

In addition to taking full advantage of its comprehensive bonded zone policies, China will encourage businesses to provide services such as translation, dubbing, editing and post-production for film and television, animations and games produced overseas, according to the policy document.

The country will also support the growth of operations such as storage, display and transactions of cultural relics and artworks, with the evaluation of cultural relics areas under special customs oversight.

The guideline will combine with the effective implementation of the Regional Comprehensive Economic Partnership agreement, consolidate the advantages of traditional markets such as Japan, the Republic of Korea and Southeast Asia, and actively expand China's market presence in economies involved in the Belt and Road Initiative, said Zhang Wei, chief expert of the Beijing-based China Association of Trade in Services.

China's exports of cultural products have been among the world's highest for several years, and a number of internationally influential cultural companies, brands and products have been formed and produced, he added.

More evidence of the growing vibrancy of foreign cultural trade can be found in an office building in the West Coast New Area in Qingdao, Shandong province. There, a group of Chinese and Romanians from the translation center of MCC Beris Engineering and Research Corp, a subsidiary of State-owned China Metallurgical Group Corp, create the Romanian version of a popular Chinese TV series.

Their creation will be broadcast on a channel owned by TVR, the eastern European country's public television service, in the fourth quarter this year.

"We also provide Chinese films, TV series



and variety shows in more than a dozen languages, including English, Vietnamese, Indonesian and Malay, to TV stations and new media platforms in more than 195 countries and regions," said Zhao Zhonghui, director of the translation center in Qingdao.

With China emerging as a driver of the global trading system, the market for language services has grown rapidly. MCC Beris has witnessed significant growth in exports by Chinese content production firms and TV programs in different languages, as well as in translation projects for professional content over the past several years, she said.

China's foreign cultural trade saw a robust growth of 38.7 percent year-on-year to hit \$200 billion in 2021, the Ministry of Commerce said.

In terms of cultural products, the country's import and export volume jumped 43.4 percent on a yearly basis to \$155.8 billion last year, while the figure for cultural

services rose by 24.3 percent year-on-year to \$44.22 billion.

Online games and e-sports products have become a forerunner for the global expansion of China's cultural products in recent years.

"The actual sales of China's independently developed games in overseas markets reached \$8.99 billion, an increase of 6.16 percent year-on-year in the first half of this year," the Beijing-based China Audio-Video and Digital Publishing Association said.

"Chinese cultural products have global competitiveness in digital cultural fields such as online games, with the mobile animation standards and digital art display leading the industry standard," said Li Jia-shan, executive vice-dean of the China Institute for Service Trade at the Beijing International Studies University.

Apart from the rollout of supportive measures and guidance, including support for developing new business forms like digital art, cloud exhibitions and immersive

experiences, the government and investors have deployed more resources in forging competitive advantages for exports in fields such as online literature, digital publishing, online broadcasting and e-sports, she said.

China unveiled its cultural development plan for the 14th Five-Year Plan period (2021-25) in mid-August to promote its culture and build itself into a country with a strong foundation in this regard.

The nation aims to have a more prosperous cultural industry, and a further increase in the appeal of Chinese culture and further improvement in its cultural system, according to the goals and tasks set out in the plan.

The plan, jointly released by the General Office of the Communist Party of China Central Committee and the State Council, China's Cabinet, was drawn up in accordance with the country's Outline of the 14th Five-Year Plan (2021-25) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035.

Policy Digest

More support to ease burden on elderly, child care providers

The National Development and Reform Commission and 12 other departments have jointly issued a package of measures to solve difficulties faced by the country's elderly care and child care services, according to a notice published on Aug 29.

The measures include rent concessions, tax breaks and financial support.

The notice said that due to factors including the COVID-19 pandemic, elderly care and child care services face many difficulties. Since organizations that provide such services are often medium, small and micro-sized enterprises and individual businesses, those who lease State-owned properties will be exempt from paying rent until the year's end.

The landlords of non-State-owned property have been encouraged to share losses with these organizations on the basis of equal consultation, it said.

In terms of tax breaks, the notice specified that elderly care and child care service organizations all over the country will benefit from cuts of up to 50 percent in six local taxes such as resources taxes and real-estate taxes, and two fees, including the education surcharge.

Local authorities have also been encouraged to provide electricity, water, gas and heating to related organizations at lower rates or free of charge this year.

Additional subsidies to allow farmers to ensure food supply

China has pledged to provide grain farmers with subsidies totaling 10 billion yuan (\$1.44 billion) from its central government budget to ease the impact of the rising prices of farm supplies and to boost farmers' incentive to keep producing food.

This year, the central government has already allocated 40 billion yuan in subsidies to grain farmers in three outlays, according to the Ministry of Finance.

The latest batch of one-off subsidies will be allocated to grain producers, including individual farmers, family farms, farming cooperatives, agricultural enterprises and related entities that are all bearing the brunt of the rising costs of agricultural materials, the ministry said.

Local governments should make good use of modern information technology to ensure that grain producers are granted the full subsidies for which they are eligible in a timely manner, the ministry added.

Plan further bolsters country's efforts to meet carbon goals

The Ministry of Industry and Information Technology and four other departments have released a plan to accelerate the country's green and low-carbon development of electrical equipment. The plan is part of the efforts for China to meet its carbon peak and carbon neutrality goals.

Efforts will be made to boost the green transition of power generation equipment and to cultivate a group of quality brands and support enterprises as they invest and set up production and sales centers abroad in order for their upstream and downstream products to go global, according to a notice issued on Aug 29.

Within five to eight years, a marked improvement is expected in the demand and supply structure of China's electrical equipment, and the efficiency of its power grid will be significantly enhanced, it said.

By then, wind and solar power equipment will meet an installed demand of over 1.2 billion kilowatts and nuclear power equipment will reach an installed demand of 70 million kilowatts, according to the plan.

MO JINGXI

Sale of intangibles expected to be motor for economic expansion

By ZHONG NAN

China's trade in services is expected to act as a long-term thriving force to shore up the nation's economic expansion, experts and business leaders said.

This comes after years of watching the nation's influence in service sector enlarged by factors such as soaring growth in foreign creative and cultural trade and knowledge-intensive services, they said.

Many opportunities have been prompted by rising exports of human capital-intensive services, consumers' surging demand for high-quality imports of foreign services and the further integration of traditional manufacturing and modern services, as well as dropping export volumes of China's labor-intensive products, said Wei Jianguo, vice-president of the China Center for International Economic Exchanges in Beijing.

As the educational level of China's young workers continues to improve, the nation's role in the international industrial chain has also been transformed from being a "world factory" to a "world office". Businesses in areas such as software design and modern logistics will create more jobs for China in the long run, said Jiang Xiaojuan, president of the Beijing-based Chinese Society of Public Administration.

Trade in services refers to the sale and delivery of intangibles such as transportation, finance, tourism, telecommunications, construction, advertising, computing and accounting.

"A huge upside still exists in the development of trade in services in China. The scope of this sector has extended to artificial intelligence, the metaverse and other fields, with huge potential and strong growth momentum," said Lawrence Jin,

head of Deloitte's global Chinese services group.

He said that the Regional Comprehensive Economic Partnership, which came into effect in January, will bring transparency and predictability for trade in services to grow within the region, and provide more opportunities to service suppliers, covering financial, telecommunications, logistics and professional service areas, in RCEP member economies.

Focusing more on opening-up in trade in services, green growth and digitalization, China will help emerging businesses conduct innovative activities in its comprehensive bonded zones. It will also encourage importing technologies and services for energy and carbon reduction and expand the export of green and low-carbon technologies, Jin added.

The value of China's trade in services jumped 20.7 percent on a yearly basis to

3.39 trillion yuan (\$489 billion) in the first seven months of 2022, while imports and exports of knowledge-intensive services totaled 1.42 billion yuan, increasing 10.2 percent from a year earlier, the Ministry of Commerce said.

China has also been accelerating the pace of new infrastructure and urbanization projects to further prop up its economic growth.

As a result, Swiss technology company ABB Group plans to grow its market share on the back of the surging demand for smart buildings and power facilities. The company said that the COVID-19 pandemic has brought unprecedented challenges to city and business management across China.

But the application of big data, artificial intelligence, 5G and other technologies in combating the disease has allowed the country to draw on the potential of digital-

ization and intelligent technologies in managing cities and business growth, said Roy Yang, ABB's marketing and sales manager for smart buildings and smart power divisions in China.

The company's technology has been used by many domestic companies and even by the sports venues for the 2022 Winter Olympics in Beijing and Zhangjiakou, Hebei province, to optimize power usage and save operating costs, Yang said. He added ABB will put more resources into the energy storage industry, data centers and charging facilities for electric vehicles in the coming years.

With the government seeking to join the Digital Economy Partnership Agreement and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, it is pushing the implementation of upgrading strategies in pilot free trade zones, supporting the growth of trade in services and providing foreign companies with greater transparency and certainty in all related fields, said Wang Shouwen, vice-minister of commerce.