

Policy promotes foreign-funded R&D

Central authorities hope support for centers will drive innovation, increase international investment

By XU WEI
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China has rolled out a series of steps to encourage foreign investment in research and development, a move widely applauded by international business leaders who have pledged to bolster their presence in the Chinese market.

A policy document released by the Ministry of Commerce and the Ministry of Science and Technology on Jan 18 outlined 16 policy measures to strengthen support for foreign-funded R&D centers.

Key measures include encouraging the centers to conduct fundamental research, allowing them to use reports and data collected by national research programs and major equipment, and strengthening support for infrastructure and operational funding.

Higher-education and research institutions and vocational schools will be given help to partner with the centers and allow them to offer postdoctoral research programs, the document said.

Furthermore, foreign investors who establish collaborative innovation platforms will receive stronger official support in terms of their use of land, equipment and infrastructure, among other areas. Financial institutions will also be incentivized to offer financial support to foreign-funded R&D centers in their efforts to conduct sci-tech innovation and basic research.

Chen Chunjiang, assistant minister of commerce, told a news briefing last month that R&D centers set up by foreign investors are a key part of China's scientific and technological innovation system, as they help to introduce cutting-edge technology and top-notch talent to raise technological expertise.

The rollout of the measures will create a better environment for the development of the centers, enable them to allocate their resources globally and unleash their potential to drive industrial upgrades, he said.

According to the Ministry of Science and Technology, the number of researchers employed at R&D centers set up by large foreign businesses grew from 595,000 in 2012 to 716,000 in 2021, with the amount of R&D investment up from 176.36 billion yuan (\$26 billion) to 337.74 billion yuan during the period.

Wu Jiayi, deputy head of the department of research commercialization and regional innovation at the ministry, said the centers are mainly concentrated in Beijing, Shanghai and the Guangdong-Hong Kong-Macao Greater Bay Area, and they have played pivotal roles in helping China build an open innovation climate and in facilitating its growth.

Shanghai, for instance, was home to the regional headquarters of 891 multinational corporations and 531 foreign-funded R&D centers as of last year.

According to the ministry, the number of patents filed by large foreign businesses increased from 68,000 in 2012 to 241,000 in 2021.

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To make it easier for foreign businesses to do R&D work, the document pledged to promote the free flow of data for research purposes in a safe, regulated manner.

Talented individuals from overseas will also find it easier to work in China, with measures to green-light foreign-funded R&D centers to apply for work and residence permits for foreign researchers in batches.

The government will encourage foreign talent hired by the centers to apply for professional accreditation, and support talented individuals in terms of housing, children's education and healthcare.

The protection of intellectual property rights will be another priority, according to the policy, with authorities set to clarify measures on the protection of commercial secrets, legal liabilities and litigation procedures.

A punitive compensation mechanism for IPR infringement will be implemented, and a special campaign targeting trademark and patent infringements as well as online piracy will be launched.

The Ministry of Commerce said last month that actual foreign

direct investment hit more than 1.23 trillion yuan in 2022, up 6.3 percent year-on-year. In US dollar terms, the figure was \$189.13 billion, up 8 percent year-on-year.

The latest policy measures have already been welcomed by foreign businesses with an R&D presence in the Chinese market.

Zhou Song, president of Valeo China, said that he is glad that the Chinese government has introduced new measures to support foreign technological innovation.

The French global automotive supplier, which has nearly 4,000 R&D staff in China, has always considered development in China to be important, he said.

"The measures will be of great benefit to the development of technology-intensive foreign enterprises like Valeo," he said. "I believe that we will have a better developmental environment in terms of the atmosphere for social innovation, policy support, collaboration on industrial innovation, bringing in talented individuals and IPR protection."

He added that Valeo will continue to expand investment in China to strengthen R&D efforts and improve staff training.

Aldous Wong, chair and president of Asia Pacific for Halma plc, a global safety equipment company based in the United Kingdom, said he is very excited to see more policy measures being taken to encourage foreign R&D investment in China.

"I believe this will be a major lift to the industries and enhance their capacity for innovation," he said.

He explained that having R&D branches in China is crucial to the company being able to cater to customer demand and to helping them solve problems endemic to their home countries.

"China is not only a market, but also a source of innovation. I am fully confident in the long-term prospect of the Chinese economy," he said.

According to a report released by the European Union Chamber of Commerce in China and

the Berlin-based Mercator Institute for China Studies last year, the overwhelming majority of European companies surveyed have expressed plans to increase R&D spending.

"European companies recognize that China's R&D ecosystem is increasingly vibrant and has many advantages over the rest of the world," said the report, which surveyed 32 respondents.

Among the advantages most commonly cited was the number and variety of collaboration part-

ners, including established national industry titans, startups, scientists and researchers, the report said.

It said that most respondents see considerable value in participating in China's innovation ecosystem.

They are keen to expand R&D activities and to integrate this with their global strategies to make the most of China's talent pool, its speed of the commercialization of new technologies, and the potential of combining European hardware and Chinese software.



SHI YU / CHINA DAILY

New government plan to speed up elimination of cervical cancer

By XU WEI

The central government has outlined a long-term plan to accelerate the elimination of cervical cancer by 2030 via an initiative aimed at boosting vaccination rates among girls, stepping up screening efforts among women and offering more wide-ranging treatments to patients.

The action plan was put forward by 10 central government departments on Jan 21 as China seeks to curb incidences of the disease, reduce the death rate and alleviate the burden on the society.

The move came after the National Medical Products Administration,

China's top drug regulator, announced a decision in August to expand the distribution of a vaccine against nine strains of the cancer-causing human papillomavirus made by global pharmaceutical giant Merck, to girls and women between the ages of 9 and 45.

China has so far piloted free HPV vaccinations in the provinces of Guangdong, Fujian and Hainan and in cities including Jinan in Shandong province, and Wuxi in Jiangsu province.

By 2025, China plans to pilot services that offer girls HPV vaccines, enabling 50 percent of women to receive screening services and 90 percent of

women to be treated for cervical cancer or pre-cancer. By 2030, at least 70 percent of women will be screened for the disease, according to the plan.

It highlighted the need to promote knowledge of cervical cancer prevention and treatment, saying that migrant workers, those living in regions that have recently emerged from poverty and ethnic minorities in particular will be targeted by an awareness campaign.

To boost vaccination rates, the plan pledged to accelerate the approval for Chinese vaccines and amplify the role of schools in encouraging girls to get vaccinated.

Efforts to intensify cervical cancer

screenings will be refined, including taking steps to offer screening to more women and prioritize the expansion of coverage to women who have never been screened.

The number of professionals devoted to cervical cancer prevention and treatment will be increased, and more work will be done to build up prevention and treatment capacity in central and western regions.

The plan also included steps to promote screening and treatment and to make use of the internet and artificial intelligence to refine service procedures.

About 100,000 women in China are diagnosed with cervical cancer

every year, according to Xinhua News Agency.

Hua Keqin, a physician at the Obstetrics and Gynecology Hospital of Fudan University, said that early discovery is key to the treatment of cervical cancer, and the unequal distribution of healthcare resources and lack of professionals and equipment at grassroots hospitals are major obstacles in national eradication efforts.

She said that regular screenings for women are still necessary even after vaccination, as there are still some strains of human papillomavirus against which vaccinations do not offer protection.

Policy Digest

Ministries send aid to natural disaster victims

As many as 32 million people affected by natural disasters have received aid from the central government's relief fund to help them get through the winter, the Ministry of Emergency Management said on its website.

Together with the Ministry of Finance, it allocated more than 5.4 billion yuan (\$800 million) to 1,714 county-level authorities in December to help them guarantee the basic well-being of people affected by earthquakes, floods and droughts.

All beneficiaries received money before Spring Festival.

As many as 18 provinces, including Hubei, Guizhou and Hebei, also set up their own relief funds amounting to a total of 330 million yuan, while Sichuan, Yunnan and other provinces distributed cotton-padded clothing and quilts to disaster-hit residents.

State-owned health institutions get a push

The central government has issued a plan to promote the development of health institutions run by State-owned enterprises, saying they play an important role in the national health service system.

Health institutions run by SOEs should do their part to provide basic health services and treatment of critical, difficult or complicated conditions, and fulfill their responsibility to train healthcare workers and conduct research.

They should also undertake tasks prescribed by law or assigned by the government, including providing public health services and first aid in case of emergencies.

The plan tasked certain government agencies with including the health institutions in regional health plans and encouraged those that meet requirements to apply for major research projects, among other measures.

More oversight sought on artifacts trade

The Ministry of Culture and Tourism and the National Cultural Heritage Administration have issued a notice calling for stricter enforcement of administrative penalties against the illegal trade of cultural artifacts.

The notice issued in late January required local cultural authorities to impose penalties according to the law on those who buy or sell artifacts, the trade of which is forbidden by the State, and on those who smuggle artifacts out of the country.

The authorities should strengthen supervision of both online and on-site trading on internet platforms and at auction houses and antique shops.

They should also conduct patrols and inspections, and handle complaints and reports in a timely manner to uncover illegal activities, the notice stated.

New energy vehicle pilot program launched

A nationwide pilot program has begun to introduce more new energy vehicles to the public sector, including government vehicles, city buses, taxis and postal service trucks, according to a notice issued earlier this month.

The notice, which was issued by the Ministry of Industry and Information Technology and seven other central agencies, stated that the pilot program, which will run through 2025, also aims to establish infrastructure to meet the battery charging and swapping needs of new energy vehicles.

The program will also work on developing a smart transportation system, green energy supply and new methods of communication to match the development of the vehicles.

Cities hoping to join the program should submit their work plans to provincial-level authorities for approval before they are recommended to the Ministry of Industry and Information Technology and the Ministry of Transport, the notice said.

The two ministries will work with other agencies to decide which cities to include in the program.

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