BUSINESS

Two Sessions

Inner Mongolia set to clean up its energy act

Head of the regional development and reform commission assures green push

By LIU ZHIHUA in Beijing and YUAN HUI in Hohhot

North China's Inner Mongolia autonomous region, whose economy is heavily dependent on energy and chemical industries, is determined to take practical and essential measures to reduce carbon emissions and pursue environmentally friendly development, one of its senior officials said.

The region's resolve comes in response to the country's commitment to peak carbon emissions by 2030 and realize carbon neutrality by 2060, he said.

Gong Mingzhu, head of the regional development and reform commission, and a deputy to the 13th National People's Congress, said energy consumption control will be a top priority for Inner Mongolia to plan for industrial layout and introduce investment projects during the 14th Five-Year Plan period (2021-25).

The region, he said, is determined to pursue high-quality and low-carbon development.

"As an important energy and strategic resources supplier in China, the region must make breakthroughs in reduction of carbon emissions and energy conservation, while at the same time ensure smooth supplies of energy and raw materials to contribute to China's energy and economic security," Gong said.

The region will leverage prices as well as other regulatory measures to promote the orderly elimination of outdated production capacity in energy-intensive industries.

It will strictly control substandard and repetitive projects in energy-intensive industries, while encouraging enterprises to step up upgrading and transformation efforts to make room for energy consumption in high-quality development.

The region will also accelerate the establishment of a new energy supply system that features intensive, efficient and comprehensive use of multiple forms of energy, to increase utilization of renewables and gradually reverse the coal-centered energy mix.

"The region must firmly pursue a new growth pathway of eco-friendly high-quality development, which will be the foundation for all the planning for important goals, projects, and policy measures," he said.

The region will strengthen efforts to balance industrial layout among different areas during the 14th FYP period.

The region's eastern part will focus on building a green industrial system pillared upon industries like ecological agriculture and ecotourism.

The western part will promote ecological protection and high-quality development in the Yellow River Basin, and will strictly implement policies restricting mindless exploitation of natural resources in extremely fragile ecological areas.

It will also shore up industrial innovation and transformation to foster and expand new development momentum. No area or industry is allowed to cross the lines of energy conservation and carbon emissions reductions, Gong said.

The region expects installed new energy capacity to exceed half of its installed power capacity by 2025, to reduce about 200 million metric tons of carbon dioxide emissions annually, according to Li Li, former head of the region's energy authority, who is now mayor of Ordos.

Installed new energy capacity in the region has hit 50 million kilowatts, topping the country, Gong said.

New energy generates 90 billion kilowatt-hours of electricity annually in the region, and nearly one-third of installed electricity capacity and one-fifth of electricity consumption of the whole society comes from new energy, he said.

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State Grid employees inspect equipment at a power station in Xilin Gol League, the Inner Mongolia autonomous region, in December. PENG YUAN / XINHUA

Visitors check out medical equipment during an exhibition in Guiyang, Guizhou province. HE JUNYI / CHINA NEWS SERVICE

Guiyang continues big data drive, digitalization

By LIU YUKUN in Beijing and YANG JUN in Guiyang

> "Guiyang and the Guian New Area will step up efforts promoting the industrialization of big data ..."
> **Chen Yan,** mayor of Guiyang

More efforts are expected to speed up big data development and seize new opportunities in the digital economy in Guiyang and the Guian New Area in Guizhou province, an official said on Wednesday during the two sessions.

Guiyang Mayor Chen Yan, who is also the director of the administrative committee of Guian New Area and a deputy to the 13th National People's Congress, said big data and related industrial clusters have been important drivers of technological development and economic growth for both Guiyang and the area. The regions will continue with their strategic efforts to promote and develop big data-centered industrial clusters for further growth.

"Guiyang and the Guian New Area will step up efforts promoting the industrialization of big data, as well as the digitalization of industries. In terms of promoting the industrialization of big data, Guiyang and Guian will speed up the establishment of three industrial clusters centering on big data centers, electronic information manufacturing and software and information technology services, each of which will be worth at least 100 billion yuan ($15.5 billion).

"In terms of promoting the digitalization of industries, Guizhou and Guiyang will facilitate the integration of big data with the real economy and accelerate the digital transformation of industries. The goal is to better leverage big data strengths in the region to generate more growth points in areas of industrial manufacturing, modern logistics and the production and sale of agricultural products," Chen said.

As core areas of the national (Guizhou) big data comprehensive trial zone, Guiyang and the Guian New Area have made achievements in big data development. From 2016 to 2020, Guiyang incubated 117 big data companies whose annual revenue from core business exceeded 20 million yuan each, and added value of digital economy was estimated to have surpassed 160 billion yuan, accounting for over 38 percent of regional GDP. In the past five years, over 85 percent of Guiyang-based companies have migrated to cloud services.

"Guiyang has also leveraged big data strengths to improve urban management levels and create innovations in social services in recent years. A total of 1,125 city-level administrative services have moved online, and 162 services relating to livelihood — such as social welfare and medical insurance — can be handled via mobile devices," Chen said.

As the big data industry is developing rapidly in Guiyang and the Guian New Area, local governments are fully aware of the importance of data security and have made explorations in the sector. The regions have established a data security network and constructed China's first big data engineering lab, the mayor added.

To better protect and regulate the big data industry, Guiyang and the Guian New Area have rolled out a series of laws and regulations in terms of data sharing, data security and the application and development of big data in healthcare and medicine fields. The goal is to lead and guarantee the development of the big data industry, Chen said.

Zhao Yandi in Guiyang contributed to this story.

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Expert says Chinese brands key to consumption

By MO JINGXI
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To promote domestic consumption of high-quality products and services and thereby stoke high-quality economic development, it is necessary to further boost domestic brands, said Bai Chongen, dean of Tsinghua University's School of Economics and Management.

Bai, who is also a member of the country's top political advisory body, said that expanding household consumption, which now accounts for a relatively low proportion of the country's GDP, is of great significance for fostering the dual-circulation economic pattern, where domestic and foreign markets boost each other, with the domestic market as the mainstay.

According to the National Bureau of Statistics, China's per capita consumption expenditure in 2020 was 21,210 yuan ($3,264), while its per capita GDP is expected to reach 72,447 yuan, up 2 percent over the previous year.

The fact that domestic brands are not given full play was one of the major reasons that led to insufficient household consumption, Bai said.

As consumer incomes increase, there is a growing need for branded products. And homegrown brands are increasingly being favored by Chinese consumers in recent years because the brands' design and production ability has improved and consumers are more culturally self-confident, he said.

Bai suggested greater efforts in cracking down on brand infringements to create a business environment where companies are enthusiastic about developing domestic brands.

Since many domestic brands, especially those in consumer goods, originated from small and medium-sized enterprises, it is necessary to improve the development environment for SMEs, Bai said.

While e-commerce makes it easier for domestic brands to reach consumers, a better e-commerce environment will enable SMEs to expand the recognition and impact of the domestic brands they created, Bai said.

He also stressed efforts to revitalize traditional brands and lift restrictions on time-honored Chinese brands.

"If we could make more progress in letting various types of market entities participate in the operation of time-honored brands, the value of such brands will be better revealed," he said.

In February, the latest consumer insights report on China published by consumer-focused private equity firm L Catterton showed that China's Generation Z consumers are driving the growth of domestic Chinese brands due to their rising purchasing power.

Born between 1996 and 2010, this group of young consumers accounts for 17 percent of China's population but 25 percent of total expenditure on new brands, the report said.

Royal Dutch Shell committed to greener China market

By ZHENG XIN
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Global energy giant Royal Dutch Shell said it will constantly seek cleaner energy investment opportunities in China to further tap the potential of the sector as the country pledges solid efforts to peak carbon emissions and achieve carbon neutrality.

"The company sees big potential in the country's cleaner energy business, and we want to do more to empower China's progress through innovation and cleaner energies," said Huibert Vigeveno, the company's downstream director, during a recent interview in Beijing.

China is currently the company's biggest liquefied natural gas market. Shell is a key supplier of LNG to the country. The company has also set up a new energy business team to look for new investment opportunities in the clean fuel sector, Vigeveno said.

China's commitment to green development was again highlighted by Premier Li Keqiang during the two sessions. He reiterated the goals of peaking carbon emissions and achieving carbon neutrality while delivering the Government Work Report on March 5.

China is aiming to peak carbon emissions by 2030 and achieve carbon neutrality by 2060.

Vigeveno said one of Shell's core aims in China is to allow the company to continue growing through more investments — particularly via the China National Offshore Oil Corp and Shell Petrochemical Co 50:50 joint venture located in Huizhou, Guangdong province, that will supply products like ethylene glycol, polyethylene and polypropylene, among others.

> **55,000**
> number of retail sites Shell plans to have globally this year

The products will be used in a wide range of end products across industries like healthcare, construction, fabrics, packaging, transport and electronics.

"The project, one of the largest chemical joint ventures of Royal Dutch Shell in China, underlines our confidence in the expansion of our chemical business in China and our long-standing partnership with CNOOC," Vigeveno said.

Shell, already a leading international oil retailer in China, has inked a deal with CNOOC, the largest offshore oil and gas producer in China, to sell LNG from offset carbon emissions last June, thus constituting China's first gas imports of this kind, according to the Shanghai Oil and Gas Exchange.

The two companies will offset the carbon emissions involved in producing and consuming the imports using carbon credits won in projects in the Xinjiang Uygur autonomous region and Qinghai province.

Tang Sisi, an analyst at research firm BloombergNEF, said China's large population base and increasing wealth make it an attractive option for international oil companies' retail business.

Vigeveno said Shell will also continue investing in China in the downstream sector to better serve its growing number of customers in the country — a key future growth market for the company.

"China is absolutely one of the key growth markets for retail and we now have more than 1,700 retail stations in China. Shell plans to increase the number of retail sites we have worldwide from 46,000 to 55,000 this year, and that growth will particularly come from core growth countries like China," he said.

As part of efforts to support China's growth of renewable energy through partnerships, the company is also cooperating with Envision — a top-five global wind turbine original equipment manufacturer— to provide the latter with lubricants for turbines.

Shell currently has five lubricant blending plants in China with three already having solar panels, which has helped reduce the company's emissions. Shell also provides carbon-neutral lubricants across a range of products for passenger cars, heavy-duty diesel engines and industrial applications worldwide including in China, Vigeveno added.

Foreseeing strong ongoing growth over the coming years, he said the company will offer more electric vehicle charging services, in addition to more retail sites and convenience retailing. It is also looking for more business opportunities, having opened its first EV charging facility in Tianjin in 2018.

Shell has also established its first hydrogen-integrated value chain venture in Zhangjiakou, Hebei province, and will invest and build a 20-megawatt renewable power-to-hydrogen electrolyser project and hydrogen refueling stations in the city.

"I believe that hydrogen has very big potential in China as the government has an ambitious growth target of 100,000 hydrogen-cell vehicles by 2025 and 1 million by 2030. The growth potential for infrastructure is huge because there were only 50 hydrogen stations in the country in 2020," Vigeveno said.