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Finance sector AI oversight encouraged

Greater global cooperation urged in developing governance standards

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Financial sector experts have called for stronger oversight of artificial intelligence in the industry and enhanced international regulatory cooperation to ensure that risks associated with AI can be effectively mitigated, while at the same time, harnessing the opportunities it offers for development.

Zhang Wencai, managing director and chief administrative officer of the World Bank Group, said at the 2026 Bund Summit in Shanghai last week that the world had reached a critical juncture in both the use and governance of AI. Zhang called for greater global cooperation and coordination, particularly in developing AI governance standards.

According to a World Bank survey of 27 financial sector authorities in emerging markets and developing economies, only 11 percent of survey respondents reported adoption of AI to support core supervisory functions. At the same time, nearly half of the surveyed authorities said they lack adequate systems, resources and processes to monitor AI developments and assess the fast-evolving technology's impact on financial institutions and consumers.

Zhang said enabling regulators to use AI to supervise the technology would require better-connected data and a workforce with the necessary expertise. He added that financial institutions must remain accountable for AI-driven decisions, even when they rely on technology developed by external providers, and also called for closer coordination among agencies overseeing cybersecurity, data protection and other related areas, as well as greater cross-border sharing of supervisory tools, test results and early-warning information.

Sheila Bair, a member of the International Advisory Council of China's National Financial Regulatory Administration, urged financial institutions to take a cautious approach to adopting AI until regulators develop a better understanding of its risks and how to contain them.

AI is equipping banks with more powerful tools to defend against cyberattacks, but it is also giving hackers new opportunities for foul play, Bair said on the sidelines of the Annual Conference of Financial Street Forum 2026, which concluded in Beijing on Oct 22.

Other emerging risks include a lack of transparency and algorithmic biases, particularly involving credit-granting decisions, AI-enabled fraud and concentration risk arising from reliance on a small number of AI providers, she said.

"It is absolutely essential that any use of AI be accompanied with clear governance, accountability and risk management," said Bair.

She also stressed the urgent need for information sharing protocols to help identify and counter malicious actors' use of AI, warning of its potential to disrupt financial transactions and infrastructure.

Andrew Sheng, another member of the NFRA's International Advisory Council, said regulators must keep pace with technological advances and strengthen their ability to nip emerging risks in the bud.

Regulatory failures could occur if authorities lack a thorough understanding of the architectures, risks and development trajectories of large language models, distributed ledger technology and privacy-enhancing computing, Sheng said.

He called on regulators to strengthen their expertise and develop and deploy intelligent, real-time supervisory tools capable of detecting opaque algorithms, market anomalies and hidden connections, adding that regulators should also clearly define data ownership, access rights and security boundaries while balancing the protection of personal privacy and national security with the need to unlock data's economic value.

Sheng urged regulators to deepen international cooperation to address emerging divergences in standards, protocols and algorithms. Stronger bilateral and multilateral information sharing — coupled with coordinated crisis-response protocols — are essential to containing risks across jurisdictions.

Xiao Yuanqi, vice-minister of the NFRA, said during the forum that the integration of AI and finance is a systemic transformation encompassing strategy, business operations, business models, organizational processes and corporate culture. Financial institutions need to strengthen their in-house research and development capabilities and shore up three core capabilities — data, models and engineering.

Efforts should be made to foster ecosystems through collaboration between industry and finance, promote the sharing of results through cooperation among financial institutions and advance governance through international cooperation, Xiao said.

Briefly

Technical support for cultivating brands

The National Certification and Accreditation Administration has issued Announcement No 15 of 2026, releasing 15 industry standards, including the "Guideline for Brand Building of Inspection and Testing Institutions", compiled by the China Council for Brand Development. At present, China's inspection and testing sector is in a critical stage of transformation and upgrade. The guideline marked positive progress in standardization and systematization of brand building work for inspection and testing institutions. It provides key technical support for the inspection and testing regime to extend towards specialization and a high-end value chain.

Renminbi strengthens against greenback

The central parity rate of the Chinese currency renminbi, or the yuan, strengthened 6 pips to 6.7165 against the US dollar on Wednesday, according to the China Foreign Exchange Trade System. In China's spot foreign exchange market, the yuan is allowed to rise or fall by 2 percent from the central parity rate each trading day. The central parity rate of the yuan against the US dollar is based on a weighted average of prices offered by market makers before the opening of the interbank market each business day.

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Two dual-fuel ultra-large container ships being floated out of Hengli Heavy Industry's dry dock in Dalian, Liaoning province, on Oct 16. SUN PENGWEI / FOR CHINA DAILY

Dalian ship exports expanding

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Foreign shipowners are increasingly placing new ship orders with shipyards in Dalian, Liaoning province, driving the city's ship exports to 49.38 billion yuan ($7.4 billion) in the first three quarters, up 177 percent year-on-year, Dalian Customs said.

Leading local yard Hengli Heavy Industry's new ship order book extends through 2030.

On Dalian Changxing Island, two dual-fuel ultra-large container ships were floated out of the No 3 dry dock, while another three carriers departed from the No 1 dock in sequence on Oct 16.

Chen Hanlun, director and general manager of Songfa — Hengli Heavy Industry's listed parent — said at a conference that the company has received a cumulative order for over 600 vessels.

George Prokopiou, founder of Greece's Dynacom Group, recalled at the conference that his companies have placed 69 vessel orders with Hengli across multiple ship classes, including 16 very large crude carriers, since buying the first VLCC built by the yard, with 16 already delivered.

"What is impressive is the quality, the punctuality and the good cooperation with our team," he said, adding that post-delivery support — including spare parts supply and technical advices — has deepened trust between builder and customer.

Alongside Hengli, State-owned shipbuilders Dalian Shipbuilding Industry Co, Dalian COSCO Shipping Heavy Industry Co and Dalian COSCO KHI Ship Engineering Co continue to anchor the high-end vessel and offshore refit segments in Dalian's shipbuilding-related cluster.

Of Dalian's 137.21 billion yuan in electromechanical exports in the first three quarters, ships alone accounted for more than a third.

Dalian, as a key transportation hub in Northeast Asia, has a long history and solid foundation in the shipbuilding sector, said Li Yanqing, executive vice-chairman of the China Association of the National Shipbuilding Industry, at the opening ceremony of the 17th China Dalian International Shipbuilding, Marine Equipment and Offshore Engineering Exhibition on Wednesday.

"In the first nine months, Dalian ranked first among Chinese cities in shipbuilding completions, new orders and order backlog, with year-on-year growth of 169 percent, 349 percent and 134 percent, respectively. They're all significantly higher than the national average," Li said.

Yao Huaming, mayor of Dalian, said that led by the four major shipbuilding enterprises, the city has clustered more than 100 upstream and downstream support companies and formed a complete industrial chain covering design, construction, repair, support services and experimental research.

"The total output value of the city's shipbuilding and marine engineering equipment industry is expected to exceed 100 billion yuan this year," Yao said.

People power

Employees from Xilian Power Supply Office of State Grid Yi'an conduct equipment maintenance in Liqiao water town in Tongling, Anhui province, to ensure safe electricity use. Leveraging local cultural tourism, the office has been offering safe and reliable power at scenic spots. State Grid Corp of China has called on its units nationwide to help boost rural economic development with high-quality power services.

CHEN CHEN / FOR CHINA DAILY

Embodied AI sector creates new jobs

CHONGQING — New career opportunities are emerging across China's embodied artificial intelligence industry, from training robotic arms to building virtual training grounds for inspection robots.

In September, China's Ministry of Human Resources and Social Security and other government departments announced 11 new professions, including embodied AI robot application technicians and digital twin engineers.

At Sevnce Robotics in Liangjiang New Area of Chongqing in Southwest China, Tang Zixiang works as an embodied AI robot application technician, training robots to perform tasks.

Tang adjusts the positions and angles of knobs to simulate different working conditions and uses the resulting data to train AI models. He then deploys the trained models on robotic arms for further testing and refinement. Through repeated trials, robots gradually learn tasks in simulation before performing them in real-world settings.

"Our job is to help robots move from the laboratory to a wide range of real-world applications," Tang said.

Sevnce Robotics develops specialized robots for the petroleum, chemical and power industries.

Its machines can replace or assist human inspectors in hazardous environments.

In these settings, robots must operate reliably for extended periods. Tang said technicians need to define speed and accuracy requirements, test whether robots can recover from failed operations and determine when they should stop or require human intervention.

"Our aim is to turn robots that work in the laboratory into machines that can operate safely and reliably over the long term," he said.

Digital twin engineering, another newly recognized profession, also helps prepare robots for real-world deployment.

Jiang Lei, who works in this field, builds virtual environments where inspection robots can rehearse tasks before deployment.

Using 3D reconstruction, Jiang's team creates digital replicas of factories, enabling virtual robots to rehearse inspection routes and check whether their cameras can capture instrument readings. Once tasks are validated in simulation, they can be transferred to physical robots.

Traditionally, technicians would take robots to project sites before mapping the surroundings, planning routes and locating inspection points, Jiang said.

Digital twins, however, allow the work to be rehearsed in simulation beforehand, potentially cutting on-site commissioning time from two or three weeks to two or three days. Simulation also generates data for algorithm testing and training, reducing the time and cost of collecting data in real-world environments.

As the industry chain becomes more specialized, it is opening career opportunities for people with different educational backgrounds.

Jiang, who studied vehicle engineering in university, moved from autonomous driving research to robot development, which requires expertise in 3D modeling, programming and simulation.

Tang, who studied computer science as an undergraduate and postgraduate student and graduated this year, applies reinforcement learning and imitation learning to robot training while continuing to study robot kinematics and motion control.

The industry's growth is also driving demand for specialists in data collection, model training, system commissioning, operations and maintenance.

Figures released by China's Ministry of Industry and Information Technology show that the country had over 400 humanoid robot models and produced more than 40,000 units in the first half.

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Heze ups role in new energy industry

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Heze in Shandong province is accelerating its transition into a new energy equipment cluster supported by the coordinated development of wind and solar bases, long-duration energy storage equipment manufacturing and upstream material recycling, including battery-material recycling.

At Hithium Energy Storage industrial park in Luxi New Area, rows of giant prefabricated storage cabins stand like oversized power banks. They can store electricity for four to eight hours by retaining abundant photovoltaic power generated during the daytime.

"When the sun sets and photovoltaic output drops, it coincides with peak electricity demand as residents return home from work. Short-duration storage cannot fill that gap of several hours," said Zhao Yunfeng, director of northern public affairs at Hithium Energy Storage, a power storage system manufacturer.

"Meanwhile, the rise of new loads such as artificial intelligence computing and electric vehicles has raised higher requirements for continuity of power supply," he said.

Driven by expanding wind and photovoltaic installations nationwide, demand for energy storage has shifted from short-term peak shaving toward longer duration, larger scale and safer energy storage solutions.

The Heze base of Hithium has built an integrated industrial layout covering materials, battery cells, modules and systems manufacturing as well as global delivery, aiming to build full-chain coordination for long-duration storage.

"For storage cells, the larger the capacity, the higher the requirements for the material system, electrochemical reaction uniformity, thermal management, structural stability and manufacturing consistency," said Zhao.

Supported by its intelligent manufacturing system, the base can trace the entire production process of every cell, quickly identify problems and carry out targeted improvements, achieving refined control across the production chain.

Order books of long-duration energy storage equipment from the Heze base stretch into 2027.

Last month, 106 prefabricated energy storage cabins were exported. The equipment carries 1,175-ampere-hour dedicated long-duration storage batteries, achieving a single-cabin capacity of 6.25 megawatt-hours in a 20-foot standard container.

"The project in Heze ties closely to our local resource endowments," said Wang Feng, director of the economic development bureau of Luxi New Area.

Heze boasts rich wind and solar resources. By the end of June, new energy installed capacity accounted for over 60 percent of the city's total power capacity, according to statistics from the city government.

"Large-scale new energy development will inevitably generate large-scale storage demand, especially long-duration storage, which is directly related to the consumption capacity of new energy power and the stable operation of the grid," said Wang.

To date, Heze is home to 66 new energy-related companies.

While storage equipment manufacturing accelerates its going-global pace, a lithium centrifugal extraction facility in Heze's Juye county is using a carbon dioxide continuous stripping process to extract valuable metals such as lithium, cobalt and nickel from industrial hazardous waste, supplying upstream materials for new energy battery manufacturing.

Products such as cobalt sulfate and nickel sulfate are directly supplied to leading domestic power battery companies including CATL and BYD.