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Expo offers key platform to drive growth

Record deals and product debuts among highlights of exhibition.
Shi Jing reports

An electric aerial vehicle attracts visitors at the seventh China International Import Expo in Shanghai. ZOU HONG / CHINA DAILY

The seventh China International Import Expo, which concluded in Shanghai on Nov 10, served as an important platform where multinational corporations could seek more business opportunities in the massive Chinese market and nurture innovation, said officials and top executives.

Tentative deals worth $80 billion were achieved during the six-day exhibition, a year-on-year increase of 2 percent, according to data released on Nov 10 at a news conference held by the CIIE Bureau.

Wu Zhengping, deputy director of the bureau, said that up to 450 new products, technologies and services made their debut at this year's CIIE, compared with 442 last year.

"Apart from various cooperation results, the seventh CIIE manifested China's confidence and resolution to provide new growth opportunities to the world through its reform-driven development," Wu said.

This year's CIIE, covering more than 420,000 square meters, attracted the participation of around 3,500 exhibitors, including a record 297 Fortune Global 500 companies and industry leaders. Of all participants, 186 companies and organizations have attended all seven editions of the exhibition.

Patrick Koller, CEO of Forvia Group, a French automotive technology supplier, said that China, as the world's largest carmaker and automotive market, is of strategic importance to his company's global mapping.

"Participation in the CIIE helps to strengthen our ties with the Chinese clients and the market, which is crucial to Forvia's development and success," Koller said.

While the development of sustainable technologies, regional cooperation and efforts to address climate change have met with unprecedented challenges globally, the CIIE has provided an important platform to secure continued dialogues, cooperation and partnership, he added.

German skin care giant Beiersdorf, which debuted at the fourth CIIE with a new product to fight hyperpigmentation, made its second appearance this year.

Beiersdorf CEO Vincent Warnery said the product, which uses the company's patented innovative ingredient Thiamidol 630, has become the world's biggest-selling single item because of the cross-border e-commerce channels in China.

"Chinese consumers possess robust purchasing power, and the market demonstrates a trend of consumption upgrading. With a dynamic and passionate vibe, the Chinese market offers huge opportunities and warmest welcome to foreign investment and development in China," he said.

Beiersdorf will continuously increase its investment in the Chinese market, especially in innovation, digitalization and sustainability, he added.

Multinational business data analytics service provider Dun & Bradstreet, which attended the CIIE for the fifth consecutive year, had a similar experience to share.

Wu Guangyu, general manager of Dun & Bradstreet China, said the company managed to achieve robust growth in the country over the past few years, which is closely related to its participation in the exhibition.

Dun & Bradstreet debuted at the third CIIE with a data module product that has now become the company's top income generator in China. The product has also helped China remain the fastest growing market among all of Dun & Bradstreet's operations worldwide.

China's close ties with the external market and its fast and deep digitalization in different sectors have provided ample room for the growth of data service providers, Wu said.

Zhou Hanmin, president of the Shanghai Public Diplomacy Association, noted that many multinational corporations have demonstrated at this year's CIIE their most cutting-edge technologies, which may not reach application stage for five or six years. Such advance demonstrations show that these companies are looking for potential partners in China, he said.

Attracted by the massive size of the Chinese market, companies are trying to have a deeper understanding of it by introducing tailor-made products and services, Zhou said.

He added that the competition and cooperation between Chinese and foreign companies that was seen at the seventh CIIE could breed new business ideas and nurture innovation.

Increased foreign investment in hospitals set to boost healthcare

By ZHOU WENTING

Further opening-up of China's medical sector to foreign investment is likely to promote high-quality services and better meet wider public healthcare needs, experts said.

A circular jointly issued by the Ministry of Commerce, the National Health Commission and the National Medical Products Administration in September allows wholly foreign-owned hospitals to operate in cities, including Beijing and Shanghai, and throughout the island province of Hainan.

Decision-makers intend for public hospitals to guarantee the basics, while foreign-owned ones provide diversified services to meet the rising demand for more personalized, higher-standard medical treatment, industry experts said.

"The priority of public hospitals, which deliver 80 percent of medical services in the country, is to look after people," said Liao Xinbo, former deputy director of the Guangdong Health Commission. "The spillover functions of public hospitals that are difficult to support through public medical insurance can be met wholly by foreign-funded medical institutions."

These other functions include the use of advanced technologies and innovative therapies, and medical treatment usually done overseas, he said.

The market of Chinese patients who travel overseas for medical treatment was worth more than 3 billion yuan ($420 million) in 2019 and surpassed 4 billion yuan within three years, according to a report by Insight and Info, a Chinese portal specializing in industry analysis.

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>
> **Liu Guoen**, dean of the Institute for Global Health and Development at Peking University

Developed countries such as the United States and Japan were the main medical travel destinations, the report said.

Wholly foreign-owned companies setting up medical institutions in China will not only contribute to further opening-up, but also test whether this model is suitable for the entire country, experts said. Many top international hospitals differ from their counterparts in China in terms of patient care, technology, management models and service awareness, they said.

"For example, the service model is one area where there are gaps between Chinese and foreign medical treatment," said Liu Guoen, dean of the Institute for Global Health and Development at Peking University.

"China's public hospitals, especially the tertiary ones in big cities, are often overcrowded and are not in a position to provide patient-centric medical services.

"When different types of hospitals compete on the same stage, this should have a positive impact on the entire medical service ecology in the country."

Although some public hospitals provide high-end medical services through their international departments, they are still limited due to the backgrounds and management methods of these hospitals, industry observers said.

However, wholly foreign-owned hospitals are not subject to the same restrictions on public medical insurance, and can set prices independently. This allows them to avoid institutional constraints and introduce industry game-changers, they said.

Shanghai Towako Hospital, China's first wholly foreign-owned hospital, opened in Shanghai Pilot Free Trade Zone in 2016. A senior hospital executive told local media in a recent interview that it was good to see the relaxation of the policy again, which is good news for all medical institutions with foreign funding.

The Japan-funded hospital specializes in assisted reproductive services and was profitable within three years of opening. It has had 300,000 patient visits and provided medical assistance to nearly 2,300 babies delivered there.

In 2021 there were more than 300 joint-venture medical institutions in the country with foreign investment, the National Health Commission said. About 38 percent were hospitals, and the rest were clinics or outpatient departments operating under an asset-light business model.

A patient uses a 5.0T ultra-high field MRI imaging system in October at Shanghai Xiehua Brain Hospital. PROVIDED TO CHINA DAILY

The other cities where foreign entities will be allowed to set up medical institutions are: Tianjin; Nanjing and Suzhou, Jiangsu province; and Fuzhou, Fujian province; and Guangzhou and Shenzhen in Guangdong province.

These entities can also apply for market registration and mass production licenses in China for their products, and those that are approved can be used nationwide.

Pilot programs allowing wholly foreign-owned hospitals date back to 2014, when the National Health Commission allowed overseas investors to set up in seven jurisdictions, including Beijing, Tianjin and Shanghai, through the establishment of new ventures and mergers.

After that, the policies varied. In 2015 the National Development and Reform Commission and the Ministry of Commerce issued a revised catalog to guide foreign investment in industries that placed medical institutions in the restricted category.

Two years later the State Council issued a document that clarified that foreign funds could be invested in domestic medical institutions through joint ventures and collaborative measures. The Government Work Report delivered in March this year proposed that market access for medical services be relaxed, along with other areas.

"We feel that such adjustments in the national policy regarding the country's openness to allow wholly foreign-invested hospitals were affected by top-level design," said Pan Jie, chief executive of the Asia-Pacific Medical Group.

The United States' investment firm Bain Capital backs APMG, which funded the Shanghai Xiehua Brain Hospital. The hospital opened in Shanghai New Hongqiao International Medical Center in July and provides high-quality medical services for patients with central nervous system diseases.

"As organizers of such hospitals, we hope that policies and regulations can be stable and consistent for a long time," Pan said. "Meanwhile, we hope to receive more guidance and practical support at the operational level."

Country's economic openness creates more opportunities

By OUYANG SHIJIA

China continues to make significant progress in deepening reform and expanding high-level opening-up, playing a pivotal role in driving global economic growth, economists and business leaders said at the China International Import Expo in Shanghai.

China's commitment to high-level opening-up will generate new growth opportunities globally, they said.

Their comments followed the publication of the World Openness Report 2024 at a session of the Hongqiao International Economic Forum, held as a part of the expo, which was from Nov 5 to 10. The report was jointly published by the Institute of World Economics and Politics of the Chinese Academy of Social Sciences and the Research Center for Hongqiao International Economic Forum.

China's openness index rose to 0.7596 last year, it said; it was 0.6789 in 2008. The country ranked 38th in terms of openness among 129 economies last year, one place up on 2022.

"Openness is a clear hallmark of China's modernization," said Qu Weixi, director of the Research Center for Hongqiao International Economic Forum. "By enhancing reform and development through openness, China seeks to foster win-win outcomes, both domestically and globally."

China's high-level opening-up has also spurred reforms in global economic governance, Qu said.

"Through deep participation in global industrial division and by strengthening multilateral, bilateral and regional economic cooperation, China has shared development opportunities with countries worldwide and played an important role in maintaining a diversified and stable international economic framework."

China is a promoter of, participant in and contributor to better global governance, Qu said.

According to the report, in terms of global openness, the index continued to decline in 2023, dropping 0.12 percent year-on-year to 0.7542.

Despite this fall in global openness, Zhang Yuyan, an academician of the Chinese Academy of Social Sciences, said he believes "economic globalization has not experienced a fundamental reversal" and the "small streams" that promote opening-up are still converging.

The report said global value chains have maintained an overall trend of expansion in recent years despite shocks and setbacks, with the share of foreign added value in global exports reaching an all-time high of 24 percent in 2022, up one percentage point from 2021 and 4 percentage points from 2009.

Cecilia Ugaz Estrada, managing director of the Directorate of Strategic Planning, Programming at the United Nations Industrial Development Organization in Vienna, said digitalization and energy transition are two new driving forces for global economic growth, and China is emerging as one of the leading forces behind sustainable industrial transformation.

Global business people hailed China's efforts to deepen reform and expand opening-up, expressing strong optimism about the country's prospects in the long run.

Anu Rathninde, president of Johnson Controls Asia-Pacific, said the United States smart building solutions provider has enjoyed new growth unleashed through opening-up and modernization since it entered China.

A more favorable business environment and the development of new quality productive forces give the company great confidence in China's long-term growth, he said.