ALL YOU NEED TO KNOW CHINA WATCH

CHINA DAILY 中国日报

APEC helps power firms and economies

Country proves to be an Asia-Pacific pivot point. **Zhong Nan** reports





From top: Visitors check out Americhem's booth during CHINAPLAS 2026 on April 23 in Shanghai. The Panasonic booth at the 27th China International Optoelectronic Exposition in Shenzhen, Guangdong province, in September. PHOTOS PROVIDED TO CHINA DAILY

For Americhem Inc, a United States-based manufacturer of specialty plastic compounds and additives, a new production plant in Suzhou, Jiangsu province, is more than an investment in China. It is part of a broader strategy to serve customers across the Asia-Pacific region through closer integration of manufacturing, innovation and supply chains.

The company's new clean compounding plant, which began operations in late September, will support growing demand for advanced materials in healthcare and other high-value industries, connecting China's manufacturing capabilities with Americhem's global technical and production network.

Rose Tu, Americhem's vice-president for the Asia-Pacific region, said the company's strategy is to invest where its customers operate, bringing manufacturing, engineering and technical expertise closer to customers in China and other regional markets, particularly in Asia-Pacific Economic Cooperation economies where demand for advanced materials continues to grow.

The Suzhou factory complements Americhem's operations in the US and Denmark, Tu said, enabling the company to provide consistent quality and technical support in different locations.

Americhem's investment reflects a broader trend among multinational companies in APEC economies and beyond, including the US, Germany, Japan and New Zealand, as they increasingly use China as a manufacturing, innovation and supply chain hub to serve regional and international markets.

Lyu Daliang, director of the department of statistics and analysis of the General Administration of Customs, said innovation has become a key driver of trade growth between China and other APEC economies.

"Closer cooperation in electronics, motor vehicles and machinery has strengthened industrial and innovation ties, boosting trade in high-tech products."

China's trade in high-tech products with other APEC economies was worth 6.66 trillion yuan ($1 trillion) in the first three quarters of this year, 50.3 percent more than in the corresponding period last year and exceeding the total for the whole of 2025.

The country's imports of electronic components from other APEC economies rose 56 percent during the same period, the General Administration of Customs said.

Hu Jiangyun, a researcher in the Development Research Center of the State Council, said China's role in Asia-Pacific supply chains is evolving beyond that of a manufacturing and export base, as multinational companies increasingly use their operations in the country to provide technology, engineering and specialized services to customers in APEC economies.

Zhao Ping, head of the academy of the China Council for the Promotion of International Trade, said China's extensive industrial network, skilled workforce and growing innovation capabilities allow foreign companies to integrate local production with regional distribution and after-sales services.

"Such arrangements can help reduce operating costs, improve supply chain efficiency and create new opportunities for cross-border investment and industrial cooperation."

This trend is evident in rail transport, with Knorr-Bremse Group, a German manufacturer of braking systems for rail and commercial vehicles, using its manufacturing and service operations in Jiangsu province to support transport networks in APEC economies and other international markets, Nanjing Customs said.

At its Suzhou facility, technicians repair and test hydraulic brake calipers and other components imported from subway systems in APEC economies, including South Korea and several Southeast Asian countries.

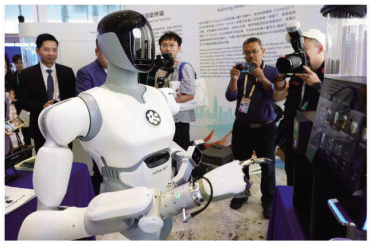
Once refurbished, the parts are shipped back overseas for reuse, extending their service life and supporting more resource-efficient rail operations, said Cao Guoji, vice-president for Knorr-Bremse's rail vehicle systems in China.

Leo Liu, general manager for China of Grin, a New Zealand oral care company, said a more integrated Asia-Pacific economy would help businesses in APEC economies and beyond tap into China's vast consumer market, expand local operations and forge closer ties with regional supply chains.

"China has become Grin's most important market globally," Liu said, noting that the company is expanding its Shanghai office, recruiting local management talent and bringing more functions related to branding, research and development, and supply chain management to the city.

On the importance of regional collaboration, Masaharu Nakayama, executive vice-president of the Japanese industrial conglomerate Panasonic Corp, said the Asia-Pacific region's economic vitality stems from openness and cooperation. Trade protectionism disrupts industrial and supply chains and undermines long-term development, he said.

Businesses should promote deeper integration of supply chains and value chains to advance the development of the Free Trade Area of the Asia-Pacific, improve connectivity and explore new growth opportunities in artificial intelligence, the digital economy and sustainable development, Nakayama said.







From left: Visitors watch a robot making coffee in Shenzhen, Guangdong province, in September. GAO JING / XINHUA **A robotic arm sorts parcels in Shenzhen on Oct 9.** XINHUA **Delegates attending the 2026 APEC Ministerial Meeting on Forestry watch a robot performance in Shenzhen in July.** LIANG XU / XINHUA

Regional grouping seen as critical testing ground for artificial intelligence

By MA SI

China's open-source artificial intelligence models and its proven ability to rapidly deploy the technology across the real economy can help APEC economies narrow the AI digital divide and accelerate adoption on the ground, industry leaders and experts say.

Collaboration on AI has emerged as one of the most substantive and closely watched priorities on this year's APEC innovation agenda.

What remains unresolved is whether paper commitments can translate into operational capability for economies that lack computing power, governance frameworks and the local talent to run what they import.

Samantha Zhu, chairwoman of Accenture Greater China, said the APEC region is emerging as a key player in the AI ecosystem and one of the world's leading innovation markets.

However, challenges persist. For example, APEC's economies span the full spectrum of AI readiness, and hardware delivered to a developing economy without the capacity to maintain it is a photo opportunity, not a digital divide solution, experts said.

That is where China's particular configuration becomes relevant. China ranks first worldwide in downloads of open-source large language models, underscoring its edge in generative AI innovation, China's Ministry of Industry and Information Technology says.

However, open-source access alone does not close a divide. What matters is whether models can be put to productive use. On that measure, China's domestic experience offers a template.

Zhu of Accenture said: "Our research shows that AI adoption is advancing quickly in China, with 88 percent of Chinese enterprises having moved beyond the pilot stage. Enterprises have also made significant progress in using AI to transform customer experience, digital twins, R&D and data governance."

China is emerging as a critical testing ground for the global development of AI, with robotics, intelligent vehicles and industrial scenarios converging at an accelerated pace, she said.

The value, Zhu said, comes from treating AI as a strategic business transformation priority rather than a technology initiative — investing in talent and operating models, not just tools.

Liu Qingfeng, chief executive of the Chinese tech company iFlytek, offered a concrete example of what deployment looks like in real-world applications. The company's multilingual AI transparent screens now operate at two big shopping destinations in Bangkok, and its GuideX digital human at Don Mueang International Airport of the Thai capital serves travelers in more than 30 languages.

"iFlytek counts 600,000 overseas developers across 220 countries and regions, and more than half of the 29 countries that signed the agreement establishing the World Artificial Intelligence Cooperation Organization in Shanghai on July 16 have AI cooperation with the firm," Liu said.

The institutional scaffolding is being erected in parallel. The China Center for APEC Cooperation on Cross-border Data Flows, which has been established in Qianhai, Shenzhen, Guangdong province, is intended as a platform for policy research, regulatory alignment and industrial services.

Qianhai has already operationalized cross-border data verification for financial and medical use cases. Two major new cross-border data infrastructure projects have taken shape: the Shenzhen-Hong Kong cross-border data verification platform, which makes financial data flows trustworthy, and the Shenzhen-Hong Kong secure and convenient cross-border data channel, which gives medical data a "path to travel".

"The establishment of the China Center for APEC Cooperation on Cross-border Data Flows means that our exploration is expanding from the Shenzhen-Hong Kong bilateral model to a multilateral one," said Lin Zhifeng, general manager of the China (Qianhai) Internet Exchange.

Businesses in Busan eye closer ties with China

By YANG HAN

Companies in Busan are increasingly seeing China not merely as a production base but as a partner for technological collaboration and supply chain integration, experts say.

The APEC Economic Leaders' Meeting in Shenzhen, Guangdong province, this month will serve as a catalyst, attracting more business interest in the city regarded as the window of China's opening-up, they said.

Interest among Busan business people in Shenzhen has clearly increased, said Jung Hyun-min, former vice-mayor of Busan and executive vice-president of the Busan Chamber of Commerce and Industry.

"It's not a temporary trend but a structural shift driven by global supply chain restructuring, technological competition and market diversification."

Following last year's gathering in Gyeongju, the 33rd Asia-Pacific Economic Cooperation Economic Leaders' Meeting will take place in Shenzhen on Nov 18-19 under the theme "Building an Asia-Pacific community to prosper together".

China has been South Korea's largest trading partner for more than 20 years, with bilateral trade continuing to grow amid industrial-chain integration. In the first half of this year bilateral trade was worth $231.33 billion, 47.7 percent more than in the corresponding period last year, according to Chinese customs.

Shenzhen, which specializes in innovation and leads in digital transformation, naturally attracts companies from Busan because it is a practical partner for those looking to cooperate with China, Jung said.

This is because of Shenzhen's strength in seamlessly connecting research and development, manufacturing, investment, logistics and the overseas market within one city cluster, he said.

Since 2022 Shenzhen's total industrial output above designated size and industrial added value have ranked first among Chinese cities, the newspaper Shenzhen Daily has reported.

The city spent 245.3 billion yuan ($36.5 billion) on research and development in 2024, with corporate R&D accounting for more than 93 percent, also ranking first nationwide.

"For South Korean companies, especially tech-based small and medium-sized ones, this framework is crucial because the speed of validating an idea directly determines their survival," Jung said.

Busan is the world's second-largest transshipment port and part of a major manufacturing cluster in South Korea, said Kim Young-jae, president of the Busan Development Institute and the Busan-China Business Forum.

Busan and Shenzhen can complement each other, with Shenzhen supplying advanced components and Busan offering physical test beds, he said.

CONTACT US

China Daily
15 Huixin Dongjie, Chaoyang, Beijing, China 100029
+86 (0) 10 64918366
chinawatch@chinadaily.com.cn
Advertising: +86 (0) 10 64918631; ads@chinadaily.com.cn
Website: www.chinadaily.com.cn
Follow us on:
Facebook.com/chinadaily
x.com/ChinaDaily

China Daily Asia Pacific
China Daily Hong Kong
Room 1818, Hing Wai Centre, 7 Tin Wan Praya Road, Aberdeen, Hong Kong
+852 2518 5111
editor@chinadailyhk.com
editor@chinadailyasia.com

© 2026 China Daily / All Rights Reserved