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Regulators to take more action against ICOs

Further regulatory measures to ban initial coin offerings (ICOs) and cryptocurrency exchanges, especially via overseas platforms, are on the way in China after some illegal activities were unearthed by regulators following the ban on trading of these products on domestic platforms last year.

A source close to the matter told *China Daily* on Feb 6 that a package of measures to further restrict ICOs — an activity to raise funds akin to an initial public offering — and cryptocurrency trading both domestic and overseas is being prepared by the People's Bank of China, the central bank, and other financial regulators. It is expected to be launched when “conditions are ripe”.

Yang Dong, director of the Fin-tech and Internet Security Research Center at Renmin University of China, said the measures may include tighter supervision on cryptocurrency accounts as well as paying more attention to cross-border flows of foreign exchange in overseas ICOs.

China remains world's leading gold consumer

China remained the world's largest consumer of gold bars and coins in 2017, investing in 306.4 metric tons, on the back of strong domestic demand and a rise in young consumers, the World Gold Council (WGC) reported on Feb 6.

Wang Lixin, managing director of the WGC in China, said annual demand in China last year was 8 percent higher than in 2016, comfortably above its five-year average of 284.8 tons.

“Looking at jewelry demand, China's 6 percent growth year-on-year in the sector in the fourth quarter heavily contributed to a 3 percent rise in annual jewelry demand — the first yearly increase since 2013,” Wang said.

The country's overall gold consumption rose 9.41 percent to 1,089 tons last year, making the country the world's biggest gold market for the fifth year running, according to the Beijing-based China Gold Association.

Consumption to bolster GDP growth: Report

Consumption will continue to play an integral role in boosting China's economic development and contribute over 60 percent of GDP growth, a new report said.

The country also made considerable progress in services and innovative commodity consumption last year, two sectors that are expected to provide the much-needed momentum for the upgrade



Visitors watch a robot performing a street dance at Yantai Tourist World in East China's Shandong province on Feb 4.

TANG KE / FOR CHINA DAILY

and growth of the sector, the China Council for the Promotion of International Trade Academy said in its report on Feb 6.

Total retail sales of consumer goods are estimated to reach 40 trillion yuan (\$6.39 trillion) in 2018, with a nominal annual growth rate of about 10 percent and continuing the sequential growth trend of the last 14 years.

JD plans to challenge Amazon in Europe

JD, one of China's leading online retailers, will challenge Amazon.com in Europe by establishing operations across the continent within the next few years.

Liu Qiangdong, JD's founder and chief executive, said his company will launch its first European e-commerce platform and delivery services in France, with plans to roll out to the United Kingdom and Germany. In the UK, JD will also open an artificial intelligence research center in Cambridge and offices in London.

Liu confirmed the company plans to spend at least 1 billion euros (\$1.24 billion) in the next two years to build JD's logistics network in France in a bid to challenge Amazon by 2019. Amazon said it has invested 15 billion euros in Europe since 2010.

Samsung MOU signed to enhance cooperation

China's top economic regulator signed a memorandum of understanding (MOU) with South Korea's tech behemoth Samsung Electronics for further cooperation, a month after it spoke to the company on rapidly rising chip prices.

The MOU signed on Feb 2 focused on possible cooperation in chipmaking, artificial intelligence

and semiconductor manufacturing, but has nothing to do with the price rises of storage chips, said an official with the National Development and Reform Commission (NDRC).

The cooperation came after the NDRC spoke to the company in December after the prices of storage chips rose at an astonishing pace over the past 18 months, leading to complaints from mobile phone manufacturers.

12 firms to invest in Abu Dhabi project

Twelve Chinese companies will invest more than \$800 million in a Belt and Road project in Abu Dhabi, capital of the United Arab Emirates, creating more than 2,000 jobs.

Agreements have been signed between the companies, 10 of which are from East China's Jiangsu province, with the Jiangsu Provincial Overseas Cooperation and Investment Company, which is in charge of developing 2.2 square kilometers of land at the Khalifa Industrial Zone Abu Dhabi (Kizad).

China will build the industrial cooperation demonstration park within Kizad to boost practical cooperation within the framework of the Belt and Road Initiative, which aims to revive the ancient Silk Road trade routes.

The government of Jiangsu said it will build the industrial park into a landmark program of China's Belt and Road Initiative. Construction of the industrial park started in January.

Hainan Airlines plans direct flights to Mexico

Hainan Airlines, China's largest private airline, will launch direct flights between China and Mexico from March 21. It will also become

the first Chinese carrier to operate nonstop flights between China and Latin America.

The flight, which will stop at Tijuana, Mexico and arrive at Mexico City, will fly three times a week and be operated with the Boeing 787 Dreamliner.

Tijuana International Airport is located on the border of Mexico and the United States and is only a short distance from downtown San Diego in Southern California. Through Cross Border Xpress, a new convenient crossing bridge built exclusively for air passengers, visitors can enter the US from Tijuana with its own Customs clearance process.

Annual bilateral traffic between China and Mexico is 200,000 passengers at present.

Goldman expects GDP growth of 6.5 percent

The Chinese mainland's accelerated structural reform and efforts to cut debt levels might lead to a mild slowdown in gross domestic product expansion this year, investment bank Goldman Sachs said, setting its growth forecast for the year at 6.5 percent.

Andrew Tilton, managing director of global investment research at Goldman Sachs, said the mainland performed well last year. A credit-growth slowdown normally held the economy back, but GDP continued to grow in 2017 despite the deleveraging.

China's GDP grew 6.9 percent last year, up from 6.7 percent in 2016, the National Bureau of Statistics said.

A pickup in exports amid the global recovery last year, which did not involve much leverage, accounted for some of the rise, Tilton said. Goldman also saw a fiscal expansion, including local government spending.

Quotable

“Being an entrepreneur can be lonely, especially in the beginning. It wasn't until the fifth year that we received our first round of venture capital funding from GSR Ventures (in 2010).”

VINCENT YAN, founder and CEO of AdMaster, an advertising metrics firm. Yan expects to list AdMaster in China in the near future.

“I would love to see China become the biggest country for Dow as a whole.”

DAN FUTTER, global commercial vice-president of Dow consumer solutions division. Dow Chemical, the world's second-largest chemical company, is banking on product innovation to further expand its presence in the country.

“The Chinese market is very huge, and the competition here is very fierce. In my view, if we can succeed in China, we can spread the successful experience around the world.”



AKIHIRO FUKAISHI, president of Epson China. The head of the China arm of the Japanese technology company Seiko Epson Corp. says the company will launch new products customized for the Chinese market.