

Healthy Competition Can Be Beneficial To All

Whether it is Industry 4.0 or New Quality Productive Forces, it is about integrating new technologies into manufacturing and other sectors to improve productivity, efficiency, quality, and sustainability.

The U.S. and China are engaging in strategic competition over the development of key technologies such as semiconductors, artificial intelligence, quantum computing, and biotechnologies, among others. The end game appears to focus on setting global standards and securing supply chains.

If it is a healthy competition between the world's two leading powers, it will not only benefit themselves individually but also the rest of the world.

Anita Tang, Managing Director

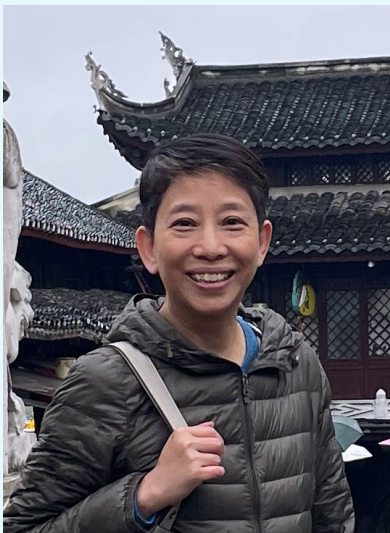


Image clipped from CGTN video

China's Policy Direction For The Next Five Years And Beyond

The third plenary session (Third Plenum) of the 20th Central Committee of the Communist Party of China was convened July 15-18. It was attended by 199 members and 165 alternate members. This plenum is the third since Central Committee members were elected during the Party's last congress in 2022. It is a major meeting held roughly once every five years to map out the general direction of the country's long-term social and economic policies.

At the session, the Central Committee fully affirmed the work of the Political Bureau since the second plenary session of the 20th Central Committee. It was unanimously agreed that in the face of a grave and complex international environment and the arduous tasks of advancing reform and development and ensuring stability at home, the Political Bureau has se-

cured progress in different respects. Full text of the Communiqué: www.mfa.gov.cn/mfa_eng/zxxx/662805/202407/t20240718_11456274.html.

Forbes provided a few highlights from the Communiqué:

- “The Central Committee made systematic plans for further deepening reform comprehensively”
- “Guide the development of the non-public sector”
- “High-quality development is our primary task”
- “Pursue coordinated reforms in the fiscal, tax, financial, and other major sectors”
- “Actively expand domestic consumption”
- “Implement various measures to prevent and resolve risks in key areas such as real estate, local government debt...”

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A Chinese Festival Is Celebrated In Chicago With Sports And Charity Actions

The Dragon Boat Festival is a traditional Chinese holiday that occurs on the fifth day of the fifth month of the Chinese calendar. The holiday commemorates Qu Yuan, a patriotic poet and also a trusted counselor to the king of the state of Chu during the Warring States period (~600 B.C. to 200 B.C.), who drowned himself in the Miluo River when he heard that Chu's capital had been conquered.

People searched for Qu Yuan's body in their boats in an attempt to save him, and, when unable to locate him, they tossed sticky rice dumplings (*zongzi*) into the river to distract fish from eating his body. Until today, dragon boat racing and eating *zongzi* dumplings are still associated with the Qu Yuan legend.

In September 2009, UNESCO officially approved the Dragon Boat Festival's inclusion in the Representative List of the Intangible Cultural Heritage of Humanity, making it the first Chinese holiday to be selected.

Dragon boat racing has become increasingly popular, and in the 2020 Tokyo Olympic Games, it was included as a demonstration sport.

Celebration of the Festival is an annual event in Chicago for more than two decades. Started in 2000 by the Chicago Chinatown Chamber of Commerce, the Chicago Dragon Boat Race for Literacy is a family-fun activity enjoyed by visitors from all over the city and surrounding suburbs. The event carries over the spirit of Chicago, promotes Asian culture, and aims to help the neighborhood literacy programs. This year's event was held on June 22 featuring dragon boat races by 37 teams, and a full day event at Ping Tom Memorial Park with music and cultural dance performances enjoyed by all.



Photo: Chicago Dragon Boat Race for Literacy, 2024

Gearing up for further excitement is the 11th Annual Chicago International Dragon Boat Festival, hosted by Great White North (GWN), which will be

held on July 27 at Busse Woods (Ned Brown Preserve). On top of the expected good community fun is Major League Dragon Boat (MLDB) featuring multiple divisions, with teams representing Fortune 500 companies, some of the nation's best paddlers and many visiting Canadian teams. The Festival supports Adaptive Adventures, a charity dedicated to enhancing the quality of life for individuals with disabilities through adaptive sports and recreation programs.

Chicago Is No Stranger To Green Technology

In April 2023, the United Nations Conference on Trade and Development ranked 166 countries on their level of preparedness to start using frontier green technologies. The top five is made up of the United States, Sweden, Singapore, Switzerland and the Netherlands.

In the United States, *Business Insider* listed 10 cities that paved the way for the future by investing in technology, sustainability and infrastructure. Chicago is one of them.

Chicago is home to a number of Greentech companies that are building new tech which may lead us to a more sustainable future. In June, Built In Chicago, the online community for Chicago startups and tech companies, identified seven Chicago companies that are helping create a greener future for the planet:

- Invenergy – focuses on green-energy generation and storage facilities
- LanzaTech – uses carbon-capture technology to take the carbon created by heavy industry and bio-recycles it into sustainable raw materials and consumer products
- Sphera – provides integrated risk management software for Environmental Health & Safety protocols
- Enablon – its software solutions let companies implement sustainable practices while maintaining profitability and ensuring regulatory compliance
- LumnAID – makes solar lanterns with LED lights in an inflatable, opaque chamber that can illuminate large areas
- NETenergy – created a thermal battery that stores cooling energy generated overnight for use during the day
- RedWave Energy – captures heat that would otherwise be wasted, converting it into energy with the help of nano-antennas

China Leading The World In Adopting Generative AI

In a survey released in early July involving 1,600 decision-makers in industries worldwide conducted by U.S. AI and analytics software company SAS and Coleman Parkes Research, 83 percent of Chinese respondents said they used generative AI (GenAI). The number was higher than the 16 other countries and regions in the survey, including the U.S., where 65 percent of respondents said they had adopted GenAI; the global average was 54 percent, reported *Reuters*.

The industries surveyed included banking, insurance, healthcare, telecommunications, manufacturing, retail and energy.

While China is the world leader in the use of GenAI, the United States is leading the way in the implementation of GenAI in companies. According to the survey, 24 percent of the U.S. managers surveyed answered the question in the affirmative, whereas only 19 percent of Chinese companies have integrated GenAI into their processes.

The survey's results underscore China's rapid progress in the generative AI field, which gained momentum after Microsoft-backed OpenAI released ChatGPT in November 2022, prompting dozens of Chinese companies to launch their own versions.

"WIPO Patent Landscape Report on Generative AI," launched in early July, noted that China-based inventors are filing the highest number of AI patents worldwide. In the 10 years between 2014 and 2023, China accounted for more than 38,000 GenAI inventions, which is six times more than the second-place United States, with 6,276 filings.

According to National Bureau of Asian Research, the vast majority of GenAI development and all related innovation in China is led by the private sector. China has the most developers of large language models (LLMs) and applications. Though in the early stages of development China's GenAI landscape is vibrant. Players include a mix of large tech platforms, social media companies, and a slew of well-financed start-ups. They are seeking investment, and are developing, fine-tuning, and iterating LLMs while end users are experimenting with different approaches to deploying applications on enterprise networks.



Government-owned Investment Firm Forming Partnerships To Develop AI

Hong Kong Investment Corporation (HKIC), the government-owned investment firm, formed its first strategic partnership on June 13 with the city's home-grown AI unicorn SmartMore. In less than two weeks on June 24, HKIC announced a second strategic partnership with BioMap, a company based in the Hong Kong Science Park. A month later on July 19, a third strategic partnership was revealed with Galbot, a Beijing-based humanoid robot start-up.

According to *China Daily*, under the partnership with HKIC, SmartMore will prioritize Hong Kong for its future listing, build the city's first AI research institute, cultivate young AI talent, and invest resources to improve computing power.

The partnership with BioMap is for the two entities to jointly propel innovation across multiple sectors including biopharmaceuticals, green technology, and new industrialization, with the goal to further cementing Hong Kong's position as an international hub for innovation and technology.

Galbot is a company specializing in the research and development of general AI foundation model robots. It will establish a local entity called HK-Galbot Embodied AI Lab, where it will explore applications for humanoid robots in Hong Kong with pilot projects in industries including retail and tourism.

Paul Chan, Hong Kong's Finance Secretary, mentioned that the government is committed to promoting the development of innovation and technology in Hong Kong and diversifying its economic structure, with the hope of providing the youth with more quality employment choices that can allow them to harness their aspirations and abilities to the fullest, while enhancing the momentum and resilience of Hong Kong's development.

Back in November 2023, Hong Kong Productivity Council released a "Hong Kong AI Industry Development Study." Among the many findings, the study noted that 49 percent of AI enterprises expressed difficulties in recruiting technical talent.

In a recent June survey conducted by Paris-based digital consultancy fifty-five involving 138 respondents during the Google Cloud Summit held in Hong Kong, the finding was that many local firms have not yet initiated any AI-driven projects. According to the consultancy, reported *South China Morning Post*, "reluctance stems from 'uncertainties around initial investment and expected returns,' as the development of AI applications require certain sophisticated technologies."

China's Policy Direction

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Analyzing the Communiqué of the Third Plenum, Dr. Ma Guo-an, Professor, Shanghai University of Finance & Economics, and Attorney-at-Law, Jingsh Shanghai Law Firm, shared with *China Call Report* key points of the Communiqué, which he highlighted into Six “Principles,” Seven “Focuses,” and 12 “Reforms.”

Six “Principles”:

1. Upholding the Party’s overall leadership
2. Taking a people-centered approach
3. Supporting fundamental principles and breaking new ground
4. Ensuring institutional building as the main task
5. Exercising law-based governance on all fronts
6. Applying systems thinking

Seven “Focuses”:

1. Building a high-standard socialist market economy
2. Advancing whole-process people's democracy
3. Building a strong socialist culture in China
4. Raising the people’s quality of life
5. Building a Beautiful China
6. Advancing the Peaceful China Initiative to a higher level
7. Improving the Party's capacity for leadership and long-term governance

Twelve “Reforms”:

1. Make coordinated efforts to promote integrated reform of institutions and mechanisms pertaining to education, science and technology, and human resources
2. Deepen comprehensive reform in education, institutional reforms for talent development, and structural scientific and technological reform
3. Pursue coordinated reforms in the fiscal, tax, financial, and other major sectors and work to enhance the consistency of macro policy orientation
4. Deepen reform of the fiscal and taxation systems, and further reform in the financial system
5. Deepen reform of the land system
6. Deepen foreign trade structural reform, further reform the management systems for inward and outward investment
7. Coordinate reforms to promote sound legislation, law enforcement, administration of justice, and observance of the law
8. Deepen reforms in legislation
9. Further reform the medical and healthcare systems
10. Fully implement the strategy of strengthening the military through reform to provide a strong guarantee for realizing the centenary goal of the People’s Liberation Army in 2027, and achieving basic modernization of national defense and the armed forces. Improve the systems and mechanisms for leading and managing the people’s armed forces, further reform joint-operations systems, and deepen military-civilian reforms.
11. Uphold the Party Central Committee’s centralized, unified leadership over the endeavor to further deepen reform across the board; deepen institutional reforms related to Party building; intensify efforts to improve conduct, build integrity, and combat corruption; work with relentless persistence to ensure the implementation of reforms.
12. Deepen institutional reforms related to the work of foreign affairs and participate in efforts to lead the reform and development of the global governance system



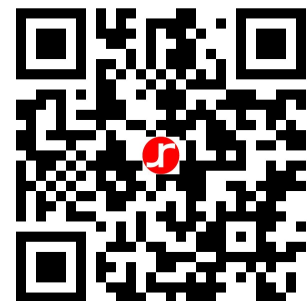
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