

## New Year New Actions

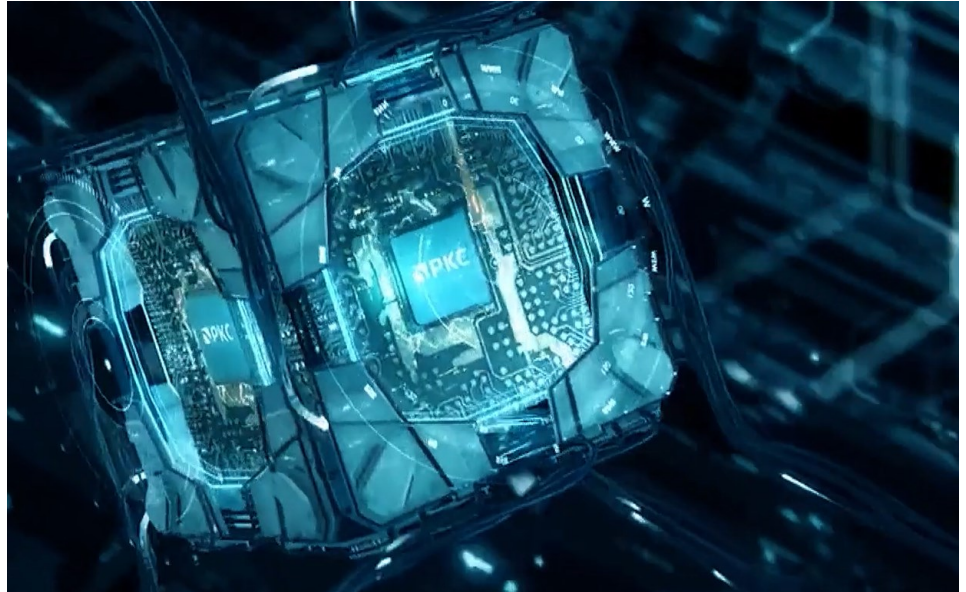
Welcome 2024 and the Chinese New Year of the Dragon.

As noted in this issue of the *China Call Report*, physical trade fairs and exhibitions are returning to the marketplace in Asia, where buyers and sellers can once again meet in person.

Increasing regional conflicts in Eastern Europe and the Middle East, and the Red Sea crisis continue to batter the global economy, making it harder for countries to reboot their economy. Warming of the U.S.-China relations is giving us a glimpse of hope that the world's biggest economies may work together to bring back peace and prosperity.

The dragon has the ability to fly high and fight fear, and we should too.

*Anita Tang, Managing Director*



## Over 4,900 Enterprises Attend China Hi-Tech Fair, Three Other International Trade Fairs Are Successful

The 25th China Hi-Tech Fair kicked off November 15, 2023, in the tech hub of Shenzhen and ran until the 19th, attracting 4,925 enterprises from 105 countries and regions, making the fair the largest ever.

Inaugurated in 1999, this fair is the largest and most influential science and technology fair in China, and exhibitions on clean energy and low-carbon technology were held.

Meanwhile, the four-day 20th China International Agricultural Trade Fair launched in Qingdao in east China's Shandong Province, attracting 30,000 buyers from home and abroad – they were there to buy from more than 20,000 types of agricultural products on display, brought by 3,000 enterprises.

Earlier, two more International Trade Fairs were hosted in Hong

Kong and attended by Royal Roots' Managing Director Anita Tang. On the back page in this issue, she details how these fairs serve attendees.

October 26-29, 2023, an international trade fair on environmental protection was held in Hong Kong's Asia World Expo. More than 300 exhibitors from 13 countries and regions participated in the Expo with 15 pavilions from Hong Kong, Macau, Mainland China, Japan, Europe and Canada.

November 3-5, 2023, the Hong Kong Trade Development Council hosted the Hong Kong International Wine and Spirits Fair 2023, at the Hong Kong Convention and Exhibition Centre. Some 7,000 physical buyers visited the Fair with 512 exhibitors joining from 17 countries and regions.

*Photo from event video: courtesy of The 25th China Hi-Tech Fair*



## China Launches Three-Year Plan: Promote Bamboo As Plastic Substitute

China has launched a three-year plan for promoting bamboo as an eco-friendly substitute for plastics.

The plan aims to build an industrial system to meet the goal, including the cultivation of bamboo, deep processing and market expansion. The goal is to effectively enhance the capacity and efficiency of replacing plastic with bamboo to help reduce the reduction of plastic pollution.

In the next three years, China will build five to ten application promotion bases for “replacing plastics with bamboos” in areas with abundant bamboo resources and a good foundation in the bamboo industry, the *Global Times* reported on November 7, 2023. It had learned this from the National Forestry and Grassland Administration (NFGA).

These bases will carry out technological research and development, product standard formulation, and brand-building to solidify the local development.

By 2025, a preliminary industrial system for “replacing plastics with bamboo” will be established, further improving product quality, variety, industry scale of the bamboo used. The comprehensive added value of a main “bamboo instead of plastic” products will increase by more than 20 percent compared with 2022, and the comprehensive utilization rate of bamboo materials will increase by 20 percent by that time, according to the NFGA.

Currently, there are over 10,000 bamboo processing enterprises, and the output value of the bamboo industry has increased from 82 billion yuan (US\$11.26 billion) in 2021 to 415.3 billion yuan in 2022, with an average annual growth rate of over 30 percent.

According to authorities, the total output value of China’s bamboo industry will exceed one trillion yuan by 2035.



## China To Keep Moderate Growth For At Least 5-10 Years, Policy Advisor

China’s economic growth will remain at moderate levels for at least the next five to ten years, Liu Shijin, member of the Monetary Policy Committee of the People’s Bank of China, told *Global Times* November 9, 2023.

“To put the Chinese economy on the track of steady growth, it is crucial to tap new growth potential and release the current potential. China still has a lot of growth potential,” said Liu.



China has the conditions to achieve what developed economies have reached, Liu said, citing China’s per capita GDP, which surpassed the US\$10,000 mark in 2019.

“The gap between the US\$10,000 level and the US\$30,000-40,000 level (developed economies) means there’s huge potential for China, especially in digital technology and the green transformation.”

Liu said if the income levels of the middle-and-low-income groups can be raised and their consumption structure can be thus improved, then even if existing industries are not upgraded, there is still potential for growth.

This should be realized through urbanization, which would turn the 300 million migrant workers into real “city people,” according to Liu.

He also stressed the importance of industrial upgrading, technological innovation, increased added value, improved industry chains and the development of future industries. He highlighted that improvements in demand and supply should occur in parallel with new growth momentum.

Expanding demand is of great significance to stabilize existing industries, including real estate. Cultivating the momentum of industrial upgrading means promoting the formation and growth of new industries, said Liu.

## Chinese Box Office Returns To Pre-Pandemic Level

The Chinese film market has hit the 50-billion yuan (US\$7 billion) mark in 2023 box-office revenue, signaling a recovery from the challenges posed by the COVID-19 pandemic.

破500亿元  
2023年全国电影票房

The impressive feat, accomplished in 317 days, saw domestic production generate 83.4 percent of the total box-office earnings, *Xinhua* reported on November 13, 2023.

In 2017, the annual total box-office earnings in China reached 55.91 billion yuan, touching the 50-billion mark for the first time.

However, the following years were marred by the impact off the COVID-19 pandemic, plunging the Chinese film market into a challenging period with cinema closures and fewer screen titles. In 2022, the annual box office stood at around 30 million yuan.

As of October 17, the estimated number of cinema-goers nationwide in 2023 was around 470 million people. By year's end 2023, this figure was expected to surpass the 2019 total of 530 million.

The Chinese film industry has demonstrated great vitality and potential with a myriad of domestic blockbusters of varied themes and high-quality content. As data from China Movie Database showed, 55 films released in 2023 have exceeded 100 million yuan in box office revenue, with 37 being domestic production.

In the meantime, noted *Xinhua*, the allure of Chinese blockbusters goes beyond the territory. "The Wandering Earth II" was released in 39 countries and regions, earning over 100 million yuan in overseas box-office revenue. The espionage thriller "Hidden Blade" and the comedy-drama "One and Only" have consecutively shattered box-office records for Chinese-language films in Thailand.

## Philadelphia Orchestra Has 50th Anniversary In China

Following the Philadelphia Orchestra's 2023 European Tour, 14 members of the Orchestra traveled to China for residency activities and concerts and commemorating the 50th anniversary of the historic 1973 Tour of China, the first by an American orchestra.

President Biden wrote a letter acknowledging 50 years of cultural exchange between the Philadelphia Orchestra and the people of China. "Music has the unique ability to take us back to the most cherished times, the places and memories in our lives. But it also moves us forward – helping transcend language, overcome geography, and unite cultures and communities around the world."

Matias Tarnopolsky, President of the Orchestra, wrote in the *New York Times* November 16, 2023, "I traveled there to be with a group of its musicians for two weeks of concerts mingling with American and Chinese musicians, master classes, chamber music performances, and panel discussions."

He wrote that "It may seem naïve to argue that a symphony orchestra can help solve the world's problems. But a lifetime in music has convinced me that it's not only worth the effort to try to do our part, it is our responsibility. Certainly the American government supports the idea. Secretary of State Antony Blinken recently announced the Global Music Diplomacy Initiative reinforcing the idea that cultural diplomacy is a power for good in the world. Our visit here is one of the Initiative's first projects. Since the Orchestra's 1973 visit it has returned 12 times."

The residency party, including violinist Davyd Booth, who was on the 1973 tour, was warmly greeted by representatives from the United States Embassy and the Chinese People's Association for Friendship with Foreign Countries upon arrival at the Beijing Capital International Airport.



Photo by Jeff Fusco, Courtesy of Philadelphia Orchestra



## Hong Kong Hosted International Wine Fair

Hong Kong Trade Development Council hosted the Hong Kong International Wine and Spirits Fair 2023, at the Hong Kong Convention and Exhibition Centre, November 3-5, 2023.

Among the many programs, “China Uncorked: Navigating the New Normal in Wine Trends,” panelists gave very positive projection of the Chinese market. Some highlights are:

- Instead of government partnerships, more and more boutique vineyards come into the market, with some started by returned Chinese to the Mainland. And, we are seeing more female wine makers.
- Chinese wine makers are doing better – Chinese wines are improving greatly, according to one of the panelists, their quality is at par with some from well-respected international wine makers.
- Chinese millennials command a growing part of the market; they are more health conscious, and they value quality over price.
- Customers rely quite heavily on social media for information. Key opinion leaders (KOLs) play a significant role in influencing consumers’ purchase decisions. There are at least eight-to-ten platforms KOLs use in the Chinese market, to name a few: *xiaohongshu*, *Douyin*, WeChat, Bilibili.
- Hong Kong is in a very unique position acting as a wine gateway, such as distributing high-quality and low-quantity wine to other parts of Asia. This is “made possible” as two-thirds of the world’s population is within five hours’ reach of Hong Kong.
- When addressing the question on whether it is culture or education that drives consumers’ wine-purchase action, panelists pointed out that patriotism appears to play a more and more important role, and consumers are also looking for individuality.

## Hong Kong Holds Trade Fair On Environmental Protection

Eco Expo Asia, an international trade fair on environmental protection, was held in Hong Kong’s Asia World Expo, October 26-29, 2023. It was jointly organized by the Hong Kong Trade Development Council (HKTDC) and Messe Frankfurt (HK).

The trade fair included physical seminars and live events, exhibits, as well as a hybrid physical-and-online trade-matching platform.

Dr. Cheung Tin-cheung, Chairman, Hong Kong Green Building Council presented welcome remarks at the Day One Eco Asia Conference – Climate Change Framework for Built Environment. Mr. Sidney Au, Senior Engineer, Electrical and Mechanical Services Department, the Government of HKSAR, talked about the government’s policy instruments involving Lead, Push, and Pull. Dr. Cary Chan, Executive Director, Hong Kong Building Council, discussed the important topic, “From Carbon Neutrality to Climate Risk Management.” The two panel discussions on Day One focused on certification, management and disclosure.

The Day Two Eco Asia Conference – Evolving ESG Landscape and the Future of Sustainable Finance, included six speakers. Mr. Tim Liu, Chairman, Hong Kong Security and Futures Commission, presented an overview of the sustainable financing landscape. Other speakers talked about different types of sustainable financial instruments and discussed the barriers to the growth of voluntary carbon market (VCM) in Asia. Ms. Irina Fan, Director of Research, Hong Kong Trade Development Council, shared survey results on how the majority see availability and diversity of ESG solutions as Hong Kong’s key attraction.



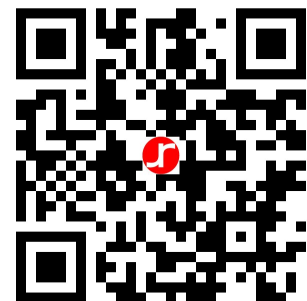
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