

▶ Handy to have around



A robotic arm makes milk tea at an automated store in Shanghai on Sunday. The process takes only 90 seconds, and the arm can make eight varieties of milk tea. Customers can order online and choose the amounts of sugar and ice they prefer. Photo: IC

▶ Defying Washington's geopolitical maneuvering Huawei keeps winning contracts

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By Chen Qingqing

Keep calm and carry on. China's Huawei Technologies has kept winning contracts in Western countries, which is its active response to US-led geopolitical pressure – offering better-quality products and services to local companies in overseas markets. This effort will show that Washington's groundless accusations are a vain attempt, analysts said.

The Western Australia government has decided to sign a \$200 million contract with Huawei to build a new digital radio system for Perth's trains, according to recent media reports.

Although the Australian central government in August 2018 ordered a ban on Huawei building the country's 5G networks, citing security concerns, the Chinese company has not stopped winning contracts in Australia.

The radio system, which is due to be up and running in 2021, will

be used by train drivers, as well as customer service, security and train control employees, according to local news site abc.net.au.

West Australian Transport Minister Rita Saffioti said the local authority is confident about the security aspects in relation to the system, the report said. Meanwhile, Huawei has secured another rail contract in Germany by helping Deutsche Bahn – a German rail company – go digital, local TV channel Deutsche Welle reported during the weekend.

The US has been lobbying countries including the UK, Australia and Germany to urge them to drop Huawei's products, and it has accused the Chinese company of spying for the Chinese government and posing risks to the national security of those countries.

Without providing hard evidence, the US-led global crackdown on Huawei has not persuaded some of its major allies.

There are a variety of reasons why many countries are ignoring the

backlash and rumors of cyber security risks, and the dominant one is that Huawei is simply ahead of the competition when it comes to 5G as well as its competitive pricing, Kevin Curran, Kevin Curran, professor of cyber security at Ulster University, told the Global Times on Monday.

"Huawei's presence in emerging markets, global dominance in handsets and growing enterprise business should see it through this period and the arrival of the Internet of Things may provide another large boost in the near future," he said.

Huawei sued the US government for its unfair ban on its products on March 7, saying the US Congress has repeatedly failed to produce any evidence to support its restrictions on Huawei products.

"The Chinese company has dared to challenge the American authorities, which also shows it has no fear thanks to its competitiveness," Xiang Ligang, a Beijing-based industry analyst, told the Global Times on Monday.

Ebbing demographic dividend in China not necessarily bad: experts

▶ COMPANIES

By Xie Jun in Shanghai and Ji Shuangcheng in London

China is losing the so-called "demographic dividend" as its population ages but that's not necessarily bad for the economy, some experts said.

The world's second-largest economy used to benefit greatly from its large population base, with cheap labor pouring into low-added value manufacturing plants that turned China into the world's factory.

But China's population is getting older, with people living longer but having fewer children, which is squeezing the base of the population pyramid.

China's average life expectancy increased by 32.64 years, or by 75 percent, between 1960 and 2015, thepaper.cn reported in 2016.

China's average life expectancy will be 77.3 years by the end of 2020, according to a document released by a number of government departments including the National Development and Reform Commission recently.

Meanwhile, births are slumping. Figures from the National Bureau of Statistics showed that there were 15.23 million new births in 2018, falling by about 2 million compared with 2017.

Ye Hang, an economics professor at the College of Economics at Zhejiang University, said that an aging population is inevitable in China and around the world, and it can't be easily reversed using policy tools like encouraging more births.

But experts said that the demographic change won't necessarily have a negative economic impact.

"Different demographic profiles produce different challenges and different opportunities but they are not necessary problems," said George Leeson, director of the Oxford Institute of Population Ageing. "As technology comes, perhaps human labor won't be much needed for manufacturing. The fear of a labor shortage might be little overblown," he told the Global Times.

According to Leeson, it isn't necessary to have a big population to make an economic leap, as robots can replace human labor to some extent.

"One could say major economic powers in the world today are not the countries with hundreds of millions, even billions of people. There are global technology companies with limited numbers of employees but with huge economic output, even bigger than some countries," he said.

"I am not one of those people who think the aging of the population is a crisis," according to Leeson.

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Driven by domestic demand, Moutai's market capitalization hits 1 trillion yuan

▶ BEVERAGES

By Xie Jun

Shares of China's top distiller Kweichow Moutai rose 4.22 percent on Monday, taking the company's market capitalization past 1 trillion yuan (\$149 billion).

Moutai is one example of gains in the distilling sector in recent days, partly pushed over-

seas activity.

At the close on Monday, the shares stood at 810.09 yuan, compared with 598.98 yuan on January 2, the first trading day this year. The shares of Shuijingfang, another popular liquor maker in China, were up 5.07 percent to close at 44.32 yuan on Monday. Overall, the sector surged 8.09 percent on Monday, with eight companies

including Gujinggong and Luzhoulaojiao rising by the 10 percent daily limit.

The sector's surge has been partly driven by overseas investors. According to eastmoney.com, in the week ended last Friday, about 158 million yuan worth of overseas capital had flowed into the Shanghai bourse to buy Moutai shares via the stock link program between

Hong Kong and Shanghai.

Wuliangye has also been targeted by overseas capital, data on eastmoney.com showed.

Liao Zongkui, a strategy analyst at LX Securities, said that Chinese distillers comprise a "unique" sector in China. The companies have high gross profits and do not have replacement products in overseas countries, making them

very "appropriate" investment targets for overseas investors. "Compared with overseas food and beverage shares, many of China's wine companies do not have very high market valuations, thus giving them an advantage in investment. Generally, the valuation-setting power of China's distilling sector has gradually shifting toward overseas investors in recent years."