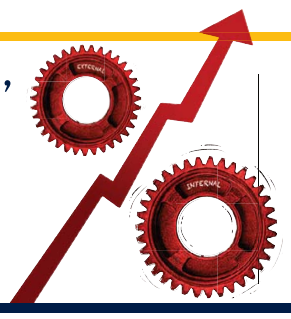
South China Morning Post

WEDNESDAY, JUNE 26, 2024 南華早報 WWW.SCMP.COM

‘DUAL CIRCULATION’ IN THE SPOTLIGHT

Latest in a series ahead of next month’s crucial third plenum

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THE MAGIC IS BACK AT HK DISNEYLAND

Theme park cuts losses amid strong recovery after Covid pandemic

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14-YEAR LEGAL SAGA NEARS CONCLUSION

Julian Assange agrees to plead guilty to US charge in exchange for release

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ECONOMY

LI HITS BACK OVER DECOUPLING, VOWS AN OPEN MARKET

Premier takes issue with Western trade and tech restrictions in ‘Summer Davos’ speech and also makes the case for China as a business destination

Frank Chen and **Ji Siqi**

Premier Li Qiang has spoken out against efforts from the West to “decouple” their economies from China and engage in “bloc confrontation”, part of a high-profile address that also served as a tenacious defence of the country’s new-energy sector against accusations of overcapacity that have become prolific in recent months.

Speaking at the World Economic Forum’s (WEF) Annual Meeting of the New Champions – also known as Summer Davos – yesterday, Li affirmed that China’s market would remain open, Beijing would continue to optimise the country’s business environment and the annual gross domestic product growth target of around 5 per cent would be attained.

“World economic growth is facing a predicament,” Li warned during his keynote address in Dalian. “Countries cannot only consider maximising their own interests while ignoring others.”

In a condemnation of what he described as confrontational trade practices, Li made direct reference to a phrase used by the US government to describe its own strategy towards China. “Decoupling and building a ‘small yard and high fence’ is like reversing the progress of history,” he said.

“It will raise the cost of the global economy, foment disputes and plunge countries into a vicious cycle, where everyone tries to get a slice of the pie but the pie itself is not growing any bigger,” Li added. “This is what we don’t want to see.”

China is presently dealing with a two-front conflict over trade, as the United States and European Union move in lockstep to penalise imports of Chinese electric vehicles (EVs) and other green products over allegations of subsidies and excess capacity.

And while China and the EU have agreed to talks over the region’s planned tariffs on EV imports, that battleground could expand if Canada follows through on the punitive measures it has been contemplating.

As a riposte to their claims, Li said Chinese exports of electric vehicles, solar panels and lithium batteries were helping to alleviate inflation worldwide.

Having grown by an expectation-beating 5.3 per cent year on year in the first quarter, China’s economy is still struggling to carve out a path to a stronger rebound. A downturn in the property sector, mounting debts for local governments and declining foreign investment complicate the outlook further.

Beijing’s prescription for these challenges was to expand the market even further and improve the climate for enterprises from overseas, Li said.

“I would also like to say that China’s large market is open,” Li said, extending an invitation to international firms.

> Decoupling and building a ‘small yard and high fence’ is like reversing the progress of history

PREMIER LI QIANG

“Foreign companies compete, communicate and cooperate with domestic ones on a level playing field. They have become a major force enabling the growth of emerging industries, and buttressed the sound and sustained development of the Chinese economy.”

Expectations are high in the run-up to next month’s third plenum of the Communist Party’s Central Committee – traditionally a conclave where major decisions on economic policy are made – for Beijing to recommit to statements issued in 2013 enshrining the market’s role in resource allocation.

“We should give full play to the market. I usually say two things: let the market play a decisive role in allocating resources and the government should better do its job in creating a fair environment,” Li said in a brief question and answer session with WEF founder and chairman Klaus Schwab.

“If we want to develop new industries, we must rely on the market and enterprises,” Li added, a pointed statement for the reported 1,700 officials and entrepreneurs present.

Comparing the country’s post-pandemic recovery to that of a sick patient, the premier also emphasised the need to balance immediate and long-term goals.

“The most fundamental thing is to balance short-term and long-term treatment of symptoms and cure causes. After years of Covid, the economy is like a person recovering from a serious illness,” Li said.

“According to the theory of traditional Chinese medicine, strong treatment cannot be used at this time. A precise, gradual approach is more ideal for recovery.”

Beijing has ruled out using Western-style quantitative easing to spur growth. Instead, it has stuck to a more familiar approach, using proactive fiscal policy and prudent monetary policy to support the economy, most notably by issuing ultra-long treasury bonds. It has also launched trade-in programmes for equipment and consumer goods while continuing to pursue self-sufficiency in advanced tech.

Li also called for international tech collaboration to foster stronger connections, saying China’s market and fertile ground for application scenarios would create a welcoming platform for new ideas as well as tech.

“We have a complete industrial supporting system, and an abundant labour force and talent pool. Chinese consumers are also fairly receptive to new technologies,” he said. “All of these make China a broad stage for enterprises to pursue innovation and upgrade their products. Economies of scale can help reduce costs and accommodate different technological road maps and business models.”

> CHINA ROLE ‘CRUCIAL’ A7



Premier Li Qiang addresses the World Economic Forum’s Annual Meeting of the New Champions in Dalian yesterday. Photo: Bloomberg

SPACE



The return capsule of the Chang’e-6 lunar probe touched down in the grasslands of Inner Mongolia yesterday afternoon. Photo: Xinhua

Chang’e-6 returns with historic cargo

Capsule safely lands with first samples ever retrieved from moon’s far side

Ling Xin and **Victoria Bela**

President Xi Jinping hailed the Chang’e-6 lunar mission’s historic achievement after the first rock samples collected from the moon’s far side landed on Earth at 2.07pm yesterday.

“Your outstanding contributions will be forever remembered by the motherland and the people,” he said in a written address to the team, shortly after the re-entry capsule touched down in the Siziwang Banner Grasslands of the Inner Mongolia autonomous region.

The re-entry and landing procedure started at around 1.20pm when mission controllers uploaded high-precision navigational data to the orbiter-re-entry capsule combination, after which the capsule unlocked and separated around 5,000km above the southern Atlantic Ocean.

The re-entry module entered the Earth’s atmosphere 120km above the ground at a speed of 11.2km per second, with its precious cargo of up to 2kg of material scooped and drilled from the moon’s most ancient basin, according to the China National Space Administration (CNSA).

The parachute deployed as the module reached the last 10km of its descent and landed smoothly at its predetermined destination, with recovery personnel arriving shortly after in helicopters and ground vehicles.

CNSA director Zhang Kejian said the Chang’e-6 mission “has achieved complete success”.

“According to the monitoring of the Beijing aerospace control centre, the re-entry module of the Chang’e 6 mission landed successfully at Siziwang Banner in the designated area,” he said.

After the recovery team had completed processing the module on site, it would be airlifted to Beijing where it would be opened and the samples removed for analysis, the CNSA said.

According to Zongyu Yue, a geologist at the Chinese Academy of Sciences, the samples are expected to answer “one of the most fundamental questions in lunar research – what geologic activity is responsible for the differences between the two sides”.

Yue, the first author of a paper published yesterday by The Innovation about the lunar landing site and its implications for further study, said his greatest hope was that the Chang’e-6 samples contain some “impact melts”.

These are fragments that would have been generated when smaller bodies crashed into the moon that could “provide crucial constraints on the early impact flux of the moon”, he said.

“Once this information is obtained, it will not only help clarify the role of early lunar meteorite impacts on the moon’s evolution, but [will] also be of great significance in analysing the early impact history of the inner solar system.”

Namrata Goswami, an author and space policy expert at Arizona State University in the United States, said the mission’s success meant that “China has clinched and perfected its lunar orbit insertion, landing, autonomous sample collection and return capabilities”.



According to Brad Joliff, a planetary scientist from Washington University in St Louis, the “simply spectacular” Chang’e-6 mission “worked like clockwork”.

Chang’e-6 was China’s second foray to the lunar far side. The 2019 Chang’e-4 lander/rover mission was humanity’s first soft landing on the surface, which never faces Earth because of the tidal locking effect between our planet and the moon.

The Chang’e-6 spacecraft blasted off from the Wenchang spaceport on Hainan Island on May 3, reaching the moon five days later. After waiting in orbit, the mission touched down in a preselected area within the South Pole-Aitken basin earlier this month.

After 48 hours of intense surface sampling with a drill and a robotic arm, the mission took off from the moon, docked with the re-entry module in lunar orbit, and headed back to Earth on June 20.

Joliff said the Chang’e-6 samples represented the first volcanic rocks to be brought back from the lunar far side and were likely to provide key clues as to why the moon’s two faces are so different.

Qian Yuqi, a postdoctoral researcher with the University of Hong Kong, said that while more than 70 per cent of the moon’s near side was covered with dark volcanic rocks, its far side only had about 20-30 per cent coverage.

Qian, who uses remote sensing data to study the moon and other planets, expects the Chang’e-6 samples to be more complex in their composition than the volcanic rocks collected by the Chang’e-5 mission in 2020.

The samples from the far side were expected to be around 3 billion years old, compared to the materials from the more familiar lunar surface facing Earth, which dated to about 2 billion years ago, he said. Qian said his team would be eager to apply for the chance to study the newly returned samples once they were processed and ready for loaning from the CNSA, probably by the end of this year or in early 2025.

China’s next goal is to look for water ice near the lunar south pole, which could be used to make oxygen and rocket fuels and is critical for a long-term human presence on the moon.

The Chang’e-7 and Chang’e-8 missions are slated to fly in 2026 and 2028 respectively in search of water ice. China has also said it plans to put astronauts on the moon no later than 2030.

“The fact that China has been meeting its timelines with existing missions means that Chang’e-7, Chang’e-8, and the 2030 human mission to the moon timelines are likely to be met,” Goswami said.

SOCIETY

American Club backtracks on HK$1.5m ultimatum to non-US members

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The exclusive American Club has backed down over a controversial policy change that would have required non-US members to pay as much as HK$1.5 million to retain their membership or leave.

Instead, the club has offered them the option of retaining their debenture or transferring to other types of membership, at no additional cost.

The club announced the turnaround yesterday after holding a board meeting the night before to address members’ concerns about the policy change, which was said to have upset many non-American members.

“We have embraced our members’ candid and constructive feedback on the initiative and have made changes to reflect this feedback,” it said. “Our intention with this update is, and has always been, to preserve and increase the number of voting and non-voting members, further enhancing the diversity of our community.”

The almost 100-year-old private club stressed it aimed to foster an inclusive environment that continued to welcome members from diverse backgrounds.

“It is important to clarify that our membership restructuring initiative, which affects both voting [American] and non-voting [non-American] debenture members, was driven by our aim to evolve our membership model in a fair and inclusive way,” it said.

After the board meeting, members received an email giving them four options: retain their existing debenture; transfer their individually owned debenture to an operating company; exchange their debenture for other categories of individual membership; or accept its redemption offer of their debenture at face value. Affected members have until December 31 to decide.

President Christopher Burgess on May 31 announced non-American individual debenture holders would have to top up their membership by up to HK$1.5 million or leave the club, which has premises in Central and Tai Tam.

Those members had to declare their intention by August 31, and those who failed to do so or pay the first instalment of the top-up amount would have their debenture redeemed at face value and their membership cancelled on September 1.

Burgess earlier explained the change stemmed from the club’s drive to improve its membership profile and maintain its non-profit tax status, which requires 50 per cent or more of the club’s operating revenue to come from voting American members.

He described the change as “a more thoughtful process which does not treat a membership as an asset but as a privilege and opportunity to join the club, which has been built on the American values of culture, friendship and community”.

Despite Burgess’ explanation, the policy change might have reduced the club’s 500-strong group of non-American individual non-voting members.

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> Members of the American Club have received an email giving them this many options, including retaining their existing debenture

The club had issued debentures of various values as a medium-term debt tool to fund major development projects from 1985 to 2007. Non-Americans have had to pay between HK$1.6 million and HK$2 million for a debenture to obtain a membership.

According to debenture conditions seen by the Post, the principal sum would not be repayable on demand by the debenture holder but might be paid off by the club at any rate with more than a month’s notice given in writing.

The club would also be able to redeem any particular debenture within the notice period without redeeming the remainder.

One non-US member, who asked not to be identified, said while feeling pleased about the turnaround, she feared the club would make the same move again to ensure at least half of its operating revenue came from voting US members, allowing it to retain its non-profit tax status. “It looks great, but … nothing’s really changed because the 50 per cent requirement is still there and they haven’t addressed it,” she said.

But business magnate Allan Zeman, a corporate debenture holder who would not have been affected by the move, called the new initiative a win for both the club and affected members.

> HARRY’S VIEW A2

PUBLISHED SINCE 1903 / VOLUME 80 / NO 176 SEE LIVE UPDATES AT WWW.SCMP.COM
PUBLISHED BY SOUTH CHINA MORNING POST PUBLISHERS LTD, 19/F, TOWER ONE, TIMES SQUARE, 1 MATHESON STREET, CAUSEWAY BAY, HONG KONG. TEL: 2565 2222.
PRINTED BY JJ PRINTING LIMITED, ROOM 1405, 14/F, CAR PO COMMERCIAL BUILDING, 37-43 POTTINGER STREET, CENTRAL, HONG KONG. TEL: 3181 3399.

The Trust Project $14

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