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**Caixin**  
GLOBAL

**Caixin Global Event**  
**China Chat 01**



**Huang Shan**

Deputy Managing Editor;  
Editorial Board Member,  
Caixin Media

# **Opportunistic Cooperation in a New Era of Sino-US Relations**

**What could we expect from a possible reset of the Sino-US Relationship?**

**Huang Shan**

Deputy Managing Editor; Editorial Board Member, Caixin Media

# Sino-US relations are not priorities for both parties

## Key takeaway 1.

Domestic problems such as economic recovery, pandemic containment, and addressing racial injustice would take up the lion's share of the new administration's energy.

## Key takeaway 2.

Pushing back against Chinese national interests is a bipartisan consensus in Washington and few want to squander their political capital in favor of a rapprochement with Beijing.

## Key takeaway 3.

For the Chinese government, the appointment of Vice Minister of MOFA as Ambassador to the UK indicates that China is in no illusion of a rapid improvement between Beijing and Washington.

## Key takeaway 4.

Instead of taking initiatives in improving bilateral relations, both countries will dedicate most resources to enhance their global standing and draw other countries into their respective economic and influential orbit.

# Partial disentanglement and opportunistic cooperation

## Key takeaway 1.

**Tech and scientific decoupling is inevitable and it will be increasingly difficult for China Inc. to acquire cutting edge technologies in western markets.**

## Key takeaway 2.

**Climate change and biodiversity protection could be a few bright spots where interests intersect.**

## Key takeaway 3.

**The so-called “external circulation” means tightly tying western companies to Chinese huge domestic consumer market to preempt further decoupling efforts.**



**Li Zengxin**

Deputy General Manager,  
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Insight



# **China's Economy: Keywords for 2021**

**Li Zengxin**

Deputy General Manager, Caixin Global; Director (International), Caixin Insight

# “Mission accomplished” in not repeating 2008

## China’s stimulus package

- Smaller
- Fiscal at forefront
- Producer/company-focused

### *Fiscal*

<b>Special treasury bonds</b>	<b>1 trillion yuan</b>
<b>Higher deficit</b>	1 trillion yuan
<b>Local government bonds</b>	3.75 trillion yuan
<b>Tax and Fee Reduction</b>	2.5 trillion yuan

### *Monetary*

<b>RRR Cut</b>	<b>1 overall and 2 targeted cuts, freeing up 1.75 trillion yuan</b>
<b>Reverse Repo Cut</b>	2 times, 30bp cut totally to 2.2%
<b>MLF Cut</b>	2 times, 30bp cut totally
<b>LPR Cut</b>	20bp cut for 1-year LPR 10bp cut for above-5-year LPR
<b>IOER Cut</b>	Cut the interest rate on excess reserve to 0.35%
<b>Re-lending</b>	300 billion yuan special re-lending funds
<b>Rediscount</b>	a total of 1.5 trillion yuan
<b>Innovative tools</b>	loan repayments rollover and special re-lending quota for SMEs

Source: MoF, PBoC

# Recovery unbalanced as always

Figure 1: Contribution to growth

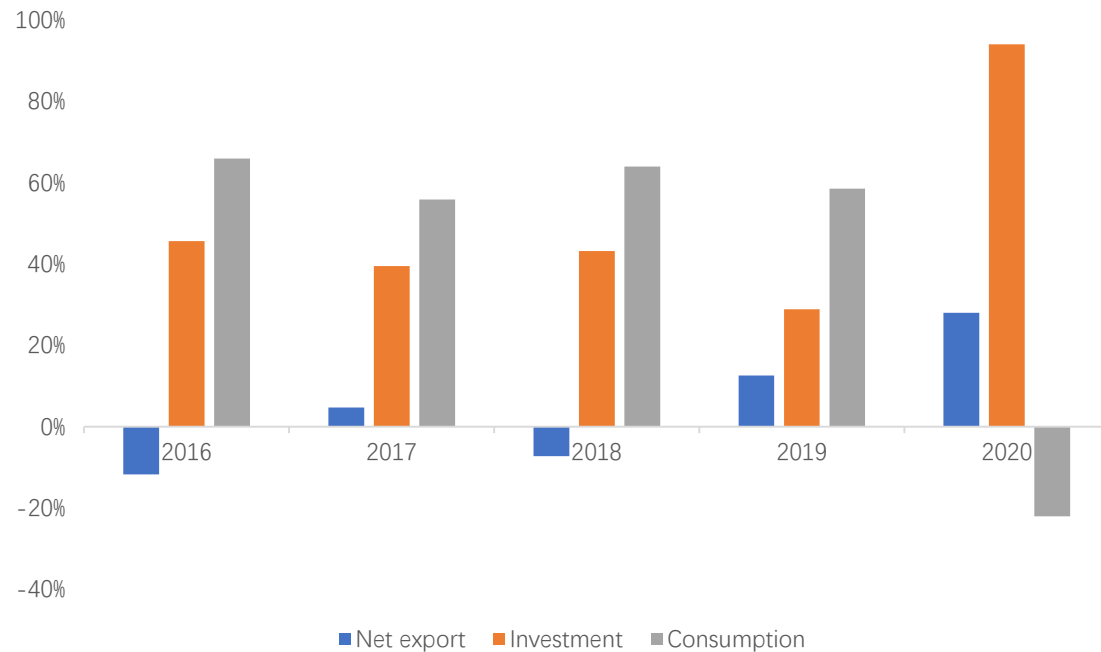
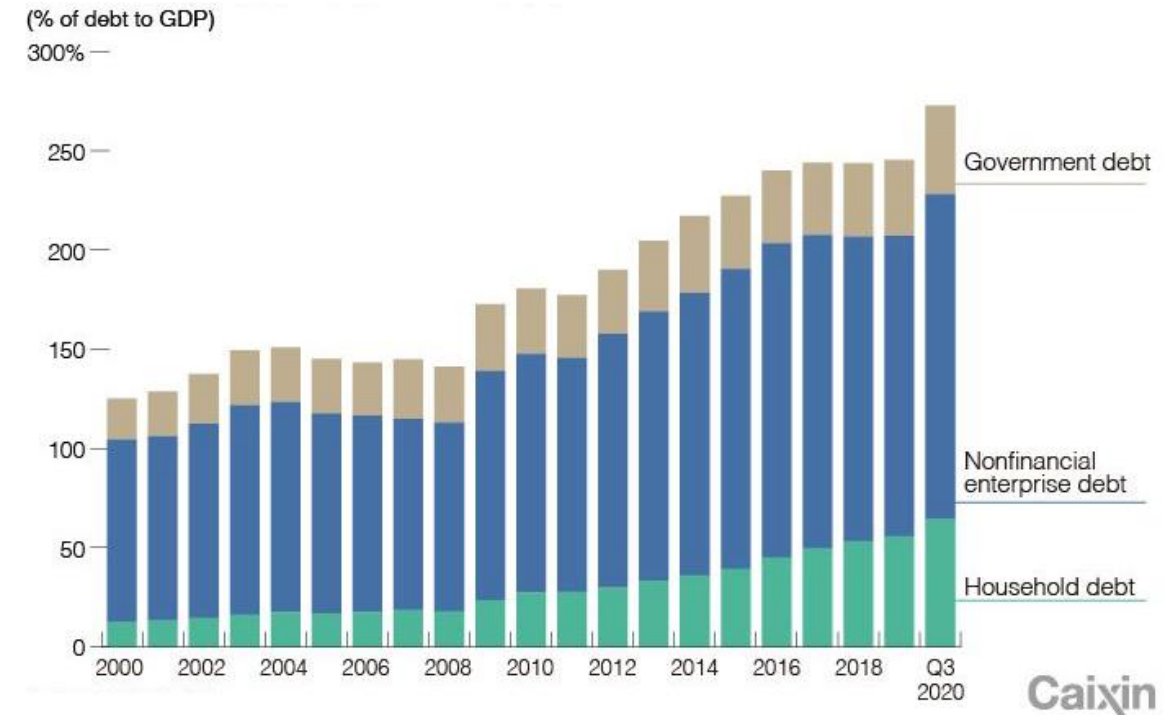


Figure 2: Macro leverage ratio up >20 pp



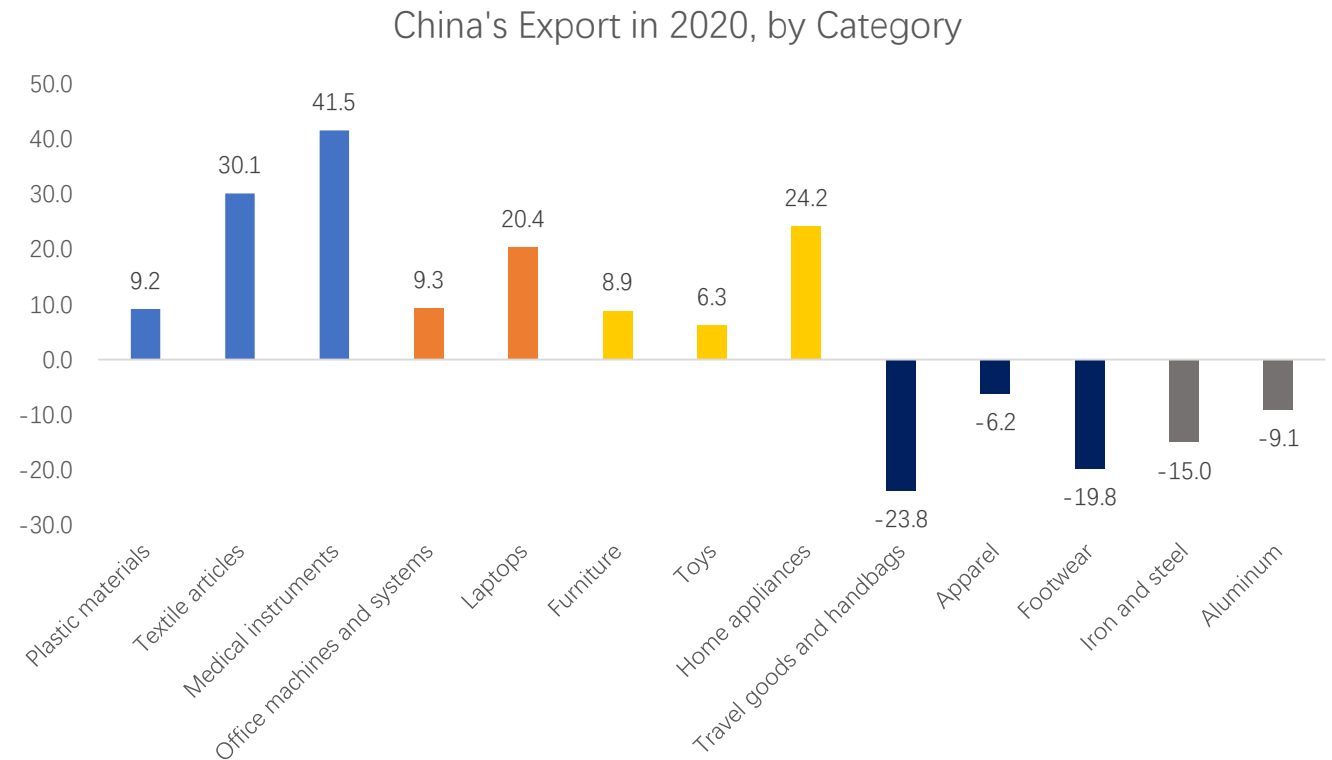
Source: CEIC, iFind

# Export: how records were set

**Figure 1: Second-best year in export**



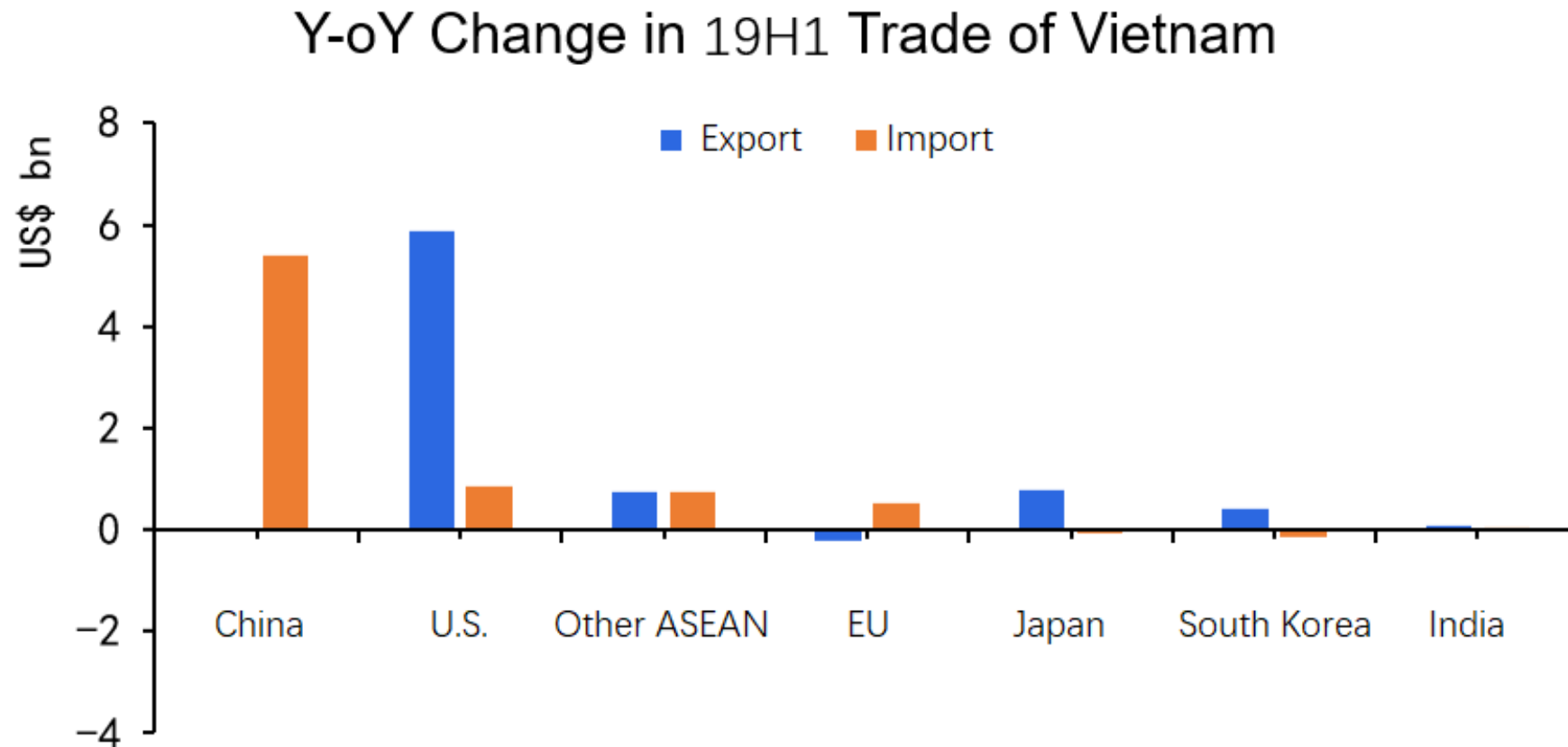
**Figure 2: Great year for PPE, home office & play**



Source: CEIC, General Administration of Customs

# China & ASEAN: a repeat of Japan's experience?

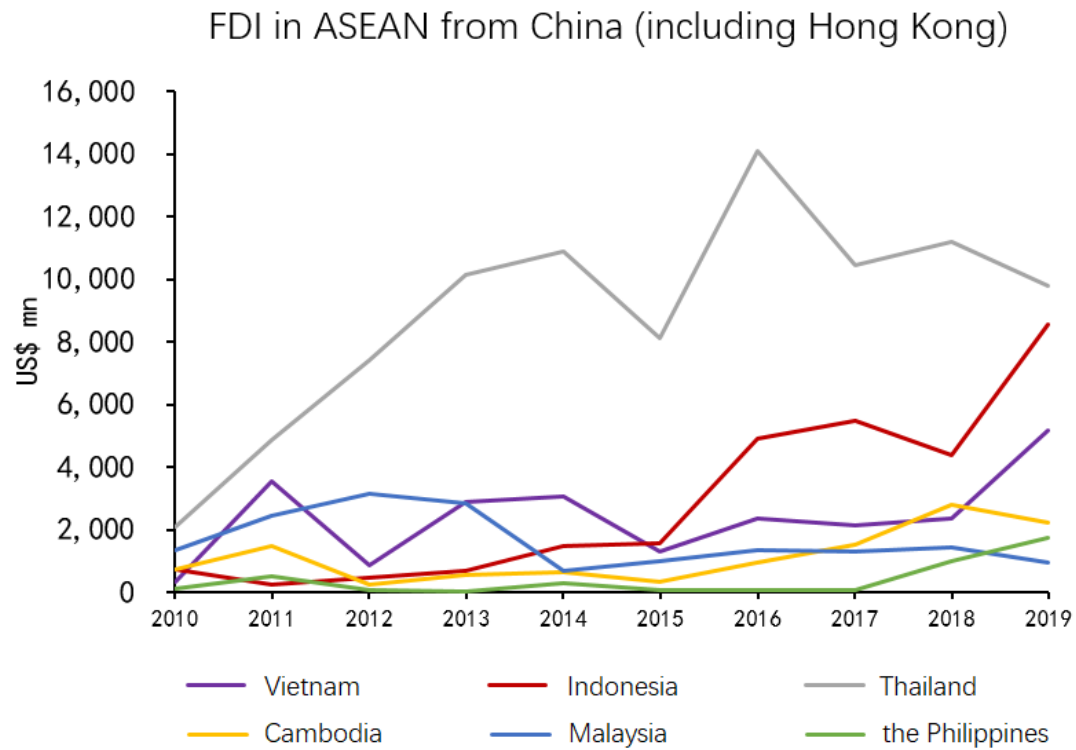
Figure 1: Export to US through Vietnam?



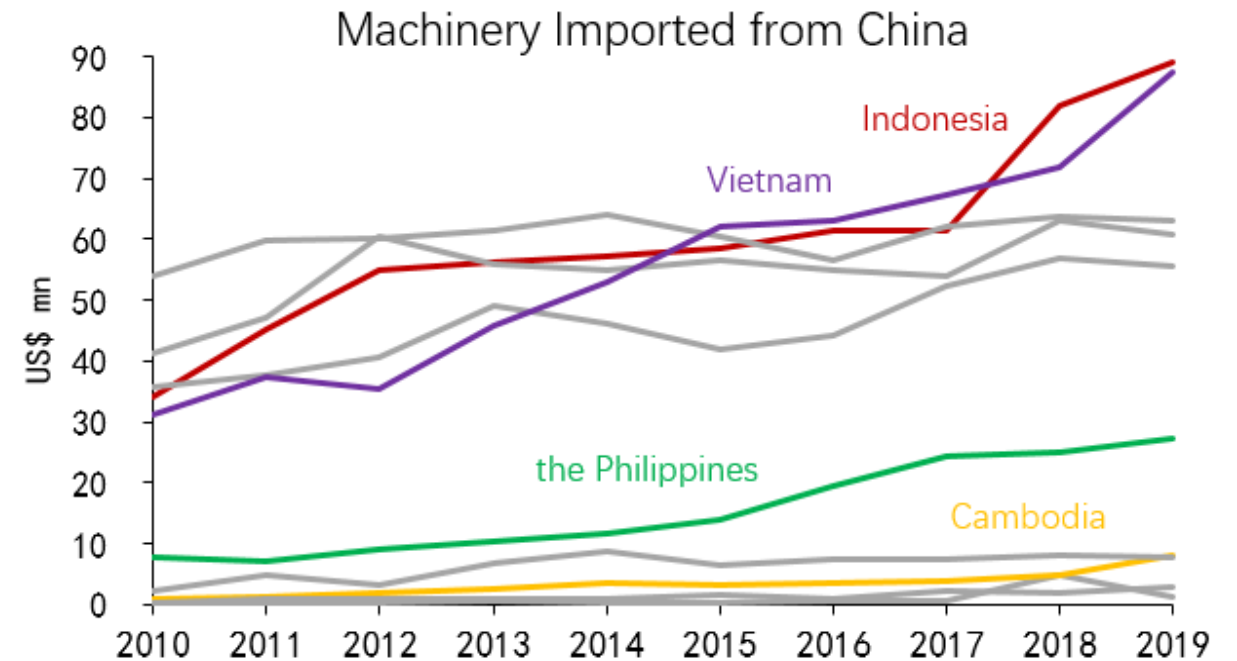
Source: CEIC

# China & ASEAN: a repeat of Japan's experience?

**Figure 1: Chinese investment in ASEAN**



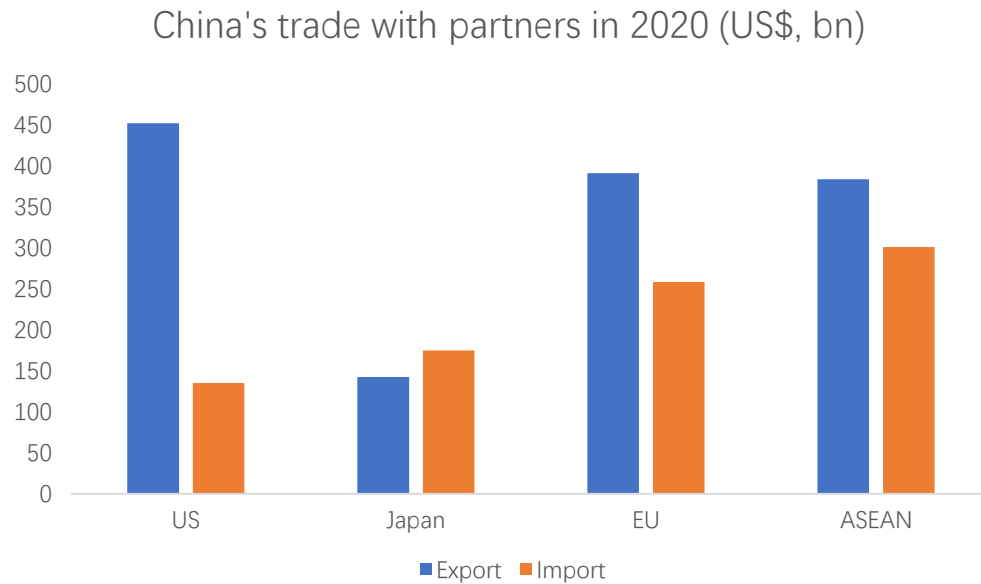
**Figure 2: Import for export**



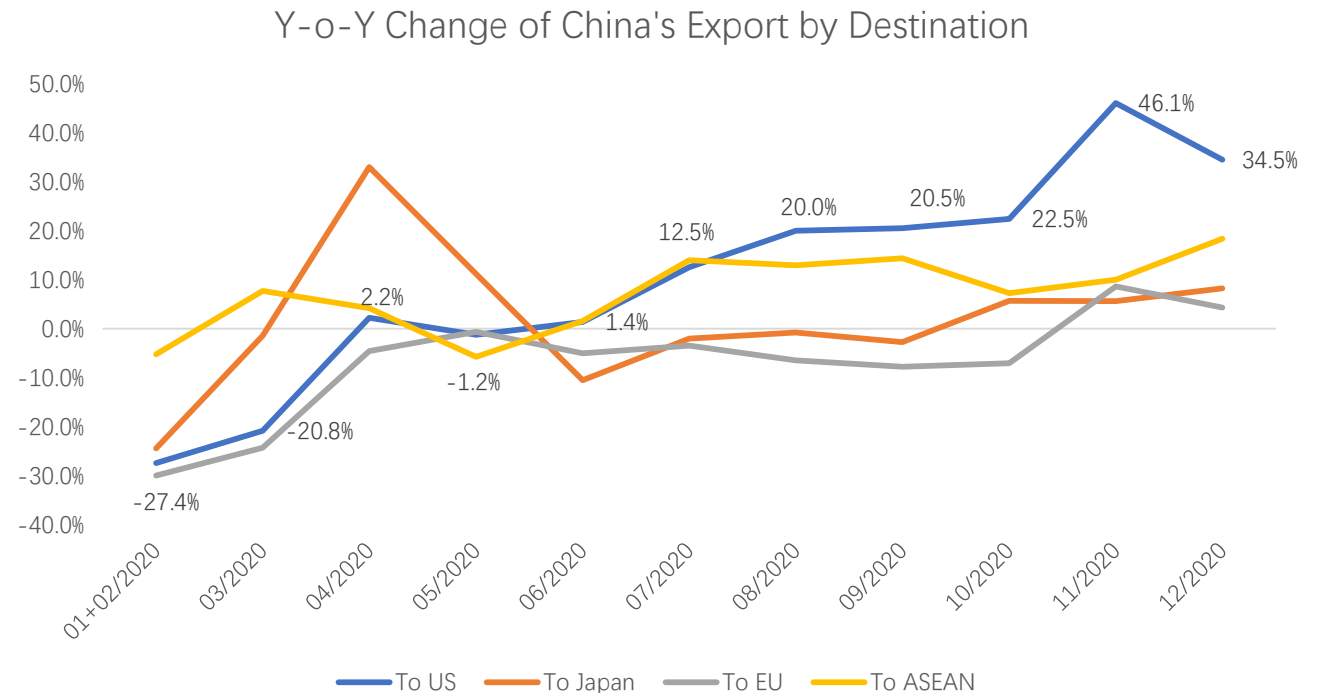
Source: CEIC, UN Comtrade

# China & US: a trade war, remember?

## Figure 1: China's trading partners



## Figure 2: Export to US leading the surge



Source: CEIC

# China & US: a trade war, remember?

**Figure 1: Higher trade surplus with US**



**Figure 2: China surplus to GDP coincides with US household debt ratio**

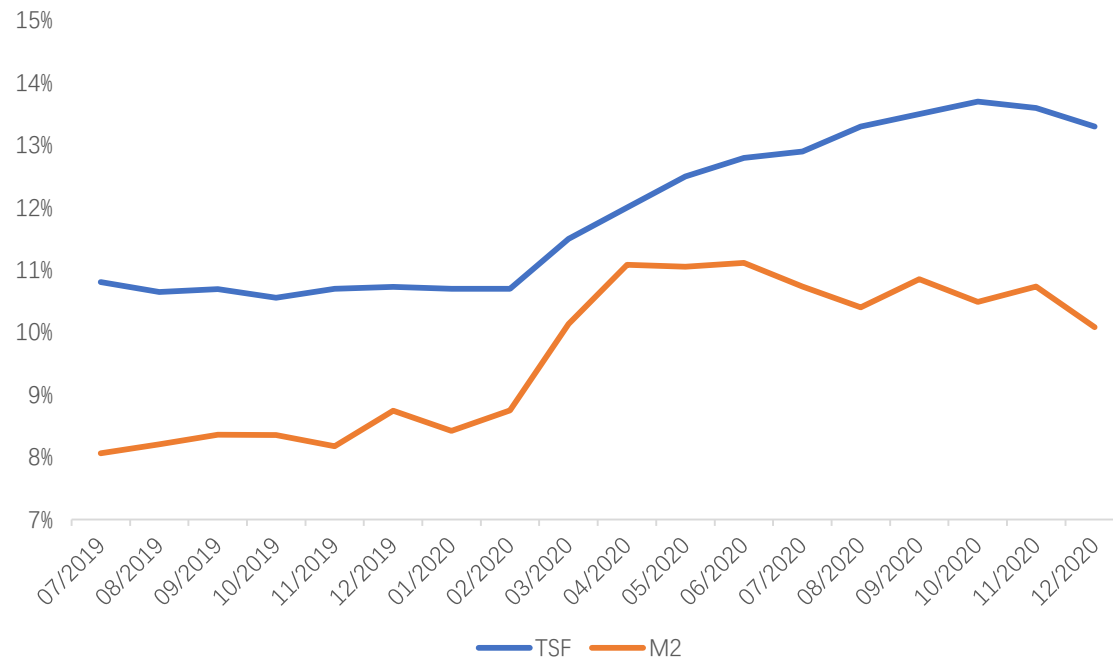


Source: CEIC, DH Fund Management

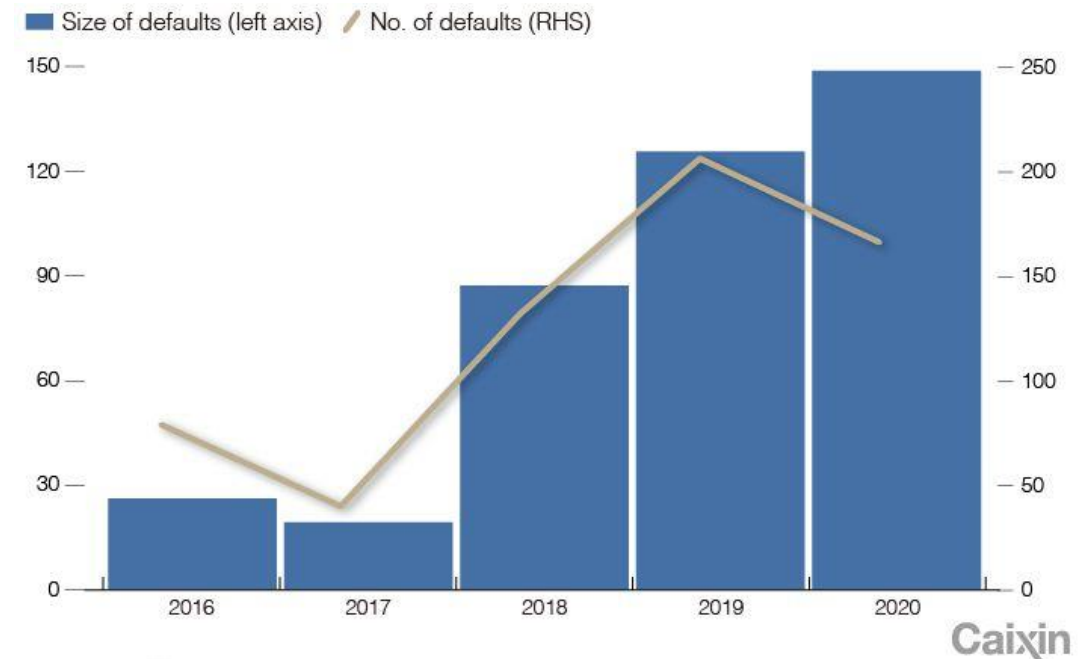
# Policy: “no sudden turns” (intended)

## Monetary: tighter credit already

### Figure 1: Total social financing and broad money supply growth slows



### Figure 2: Default in China’s bond market

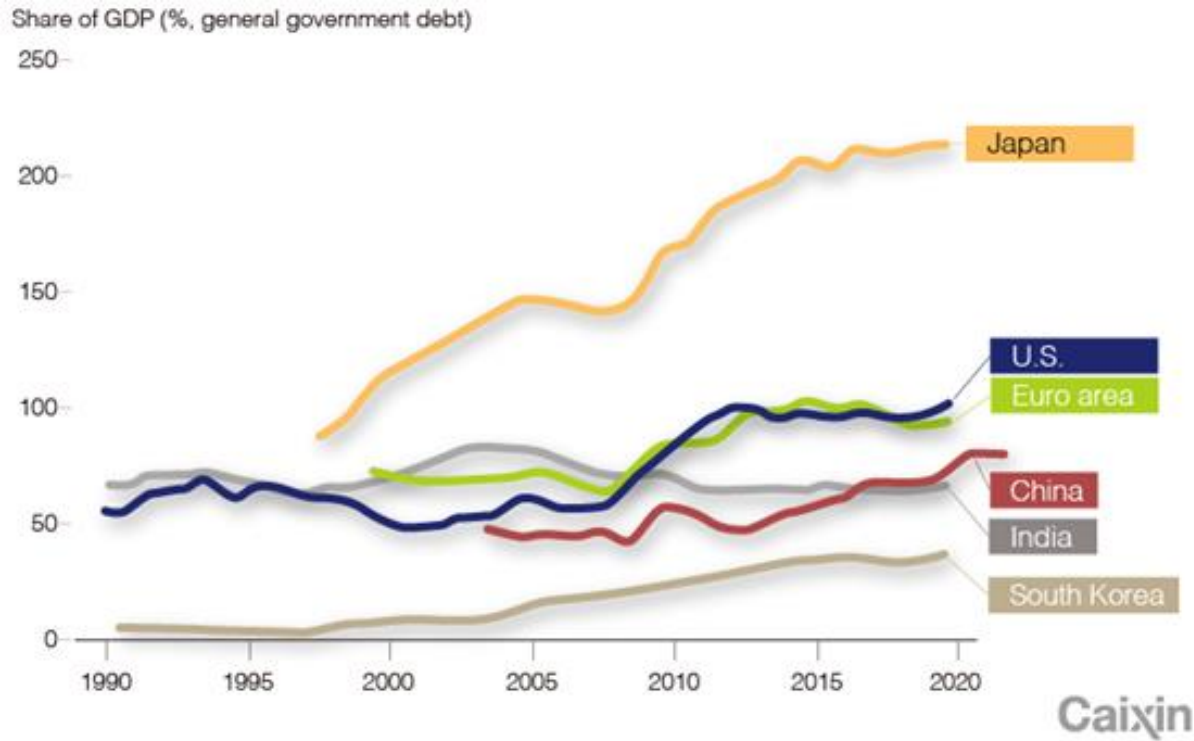


Source: iFind

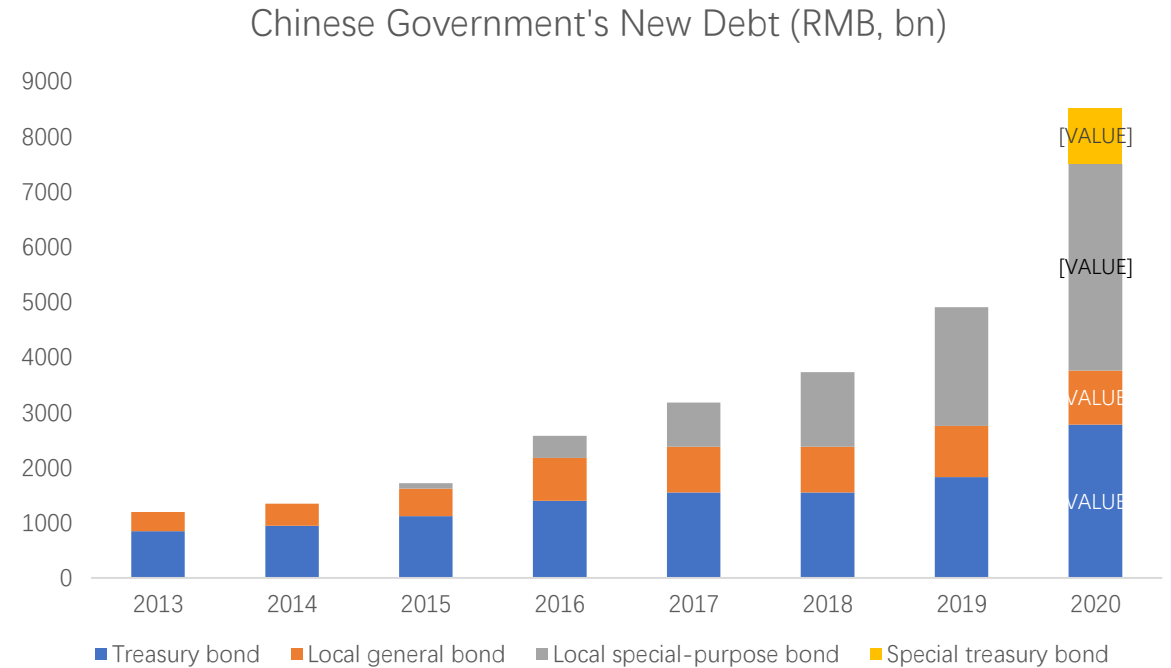
# Policy: “no sudden turns”

## Fiscal: back to 3%

**Figure 1: China’s government debt remains manageable**



**Figure 2: New government debt**



Source: CEIC

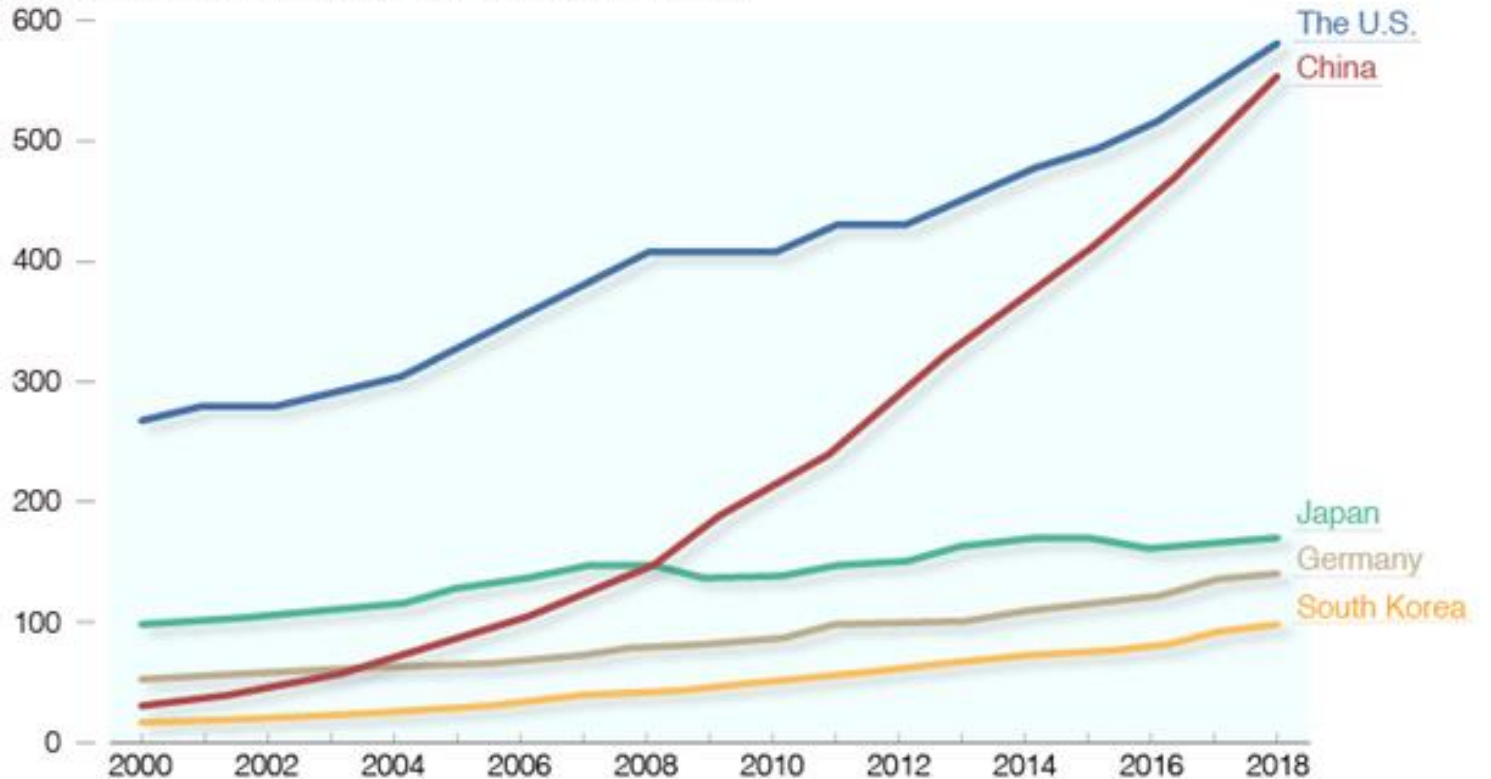
# Ups and Downs

- **New infrastructure**
- **Dual circulation**
- **Demand-side reform**
- **Carbon emission goals**

- **Covid-19**
- **Timing of exit**
- **Macroprudential measures**
- **Debt defaults**
- **US-China disputes**

## R&D Spending by Country

Current spending, purchasing power parity (billion dollars)



Caixin

Source: Ministry of Education



**Qu Yunxu**

Chief Editor, Caixin.com;  
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# How Chinese Big Tech become monopolists



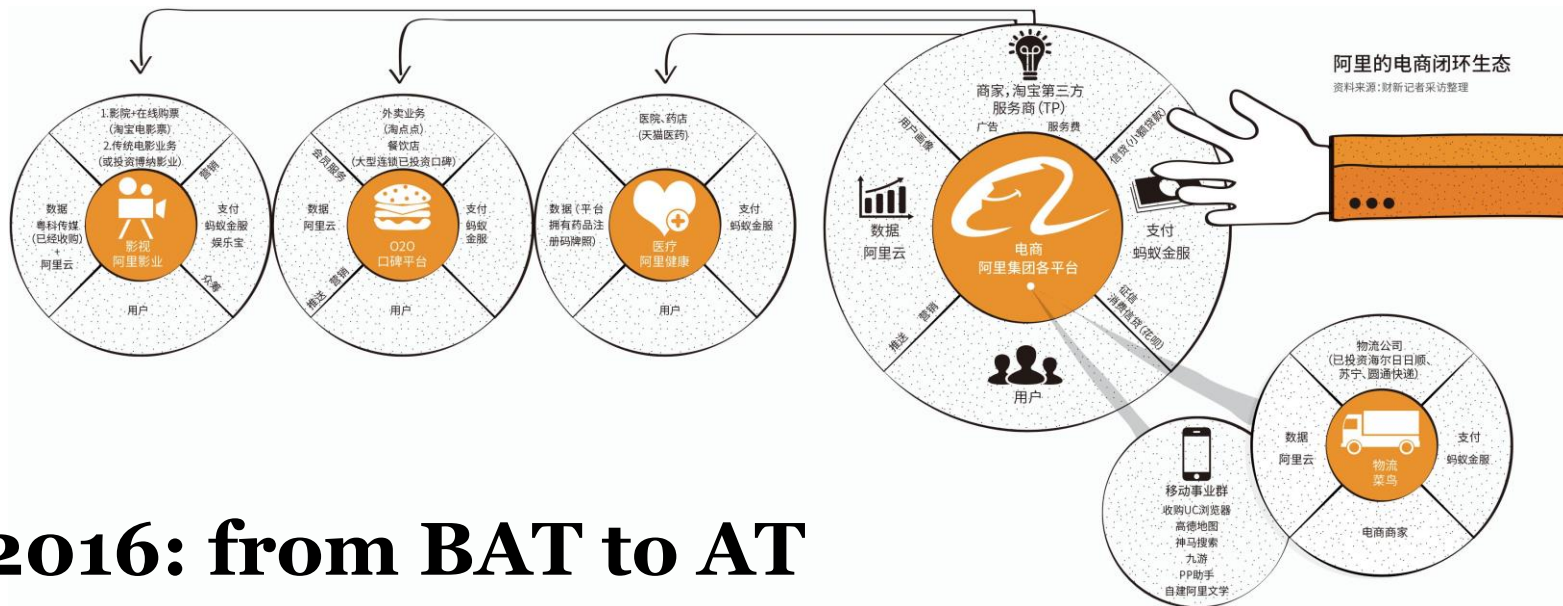
## 互联网寡头战争

BAT圈地运动与资本新格局

屈运栩等◎著

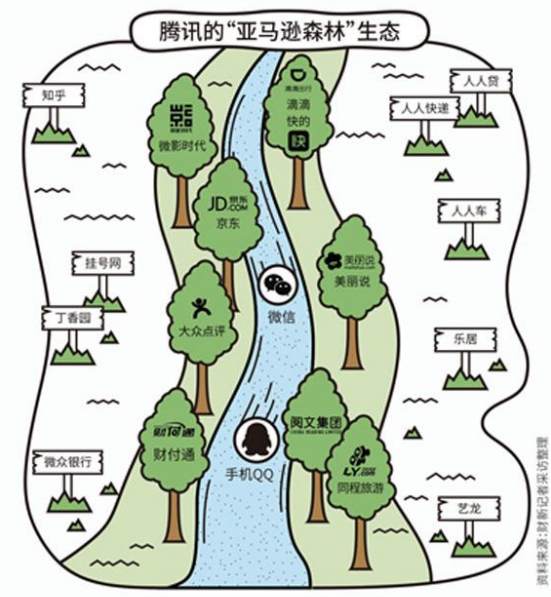
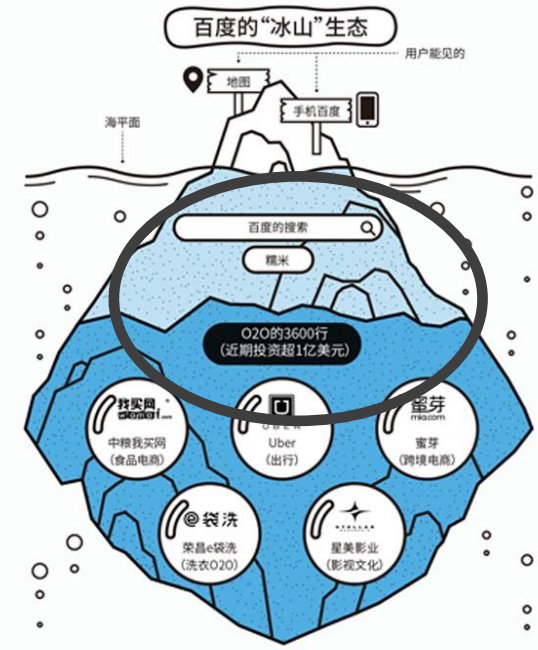
郭琼 王晓冰 高昱◎主编

财新传媒TMT团队深入调查，剥去模式外衣，直入商业内核，  
探寻和解读互联网巨头混战背后的故事与逻辑



## 2014-2016: from BAT to AT

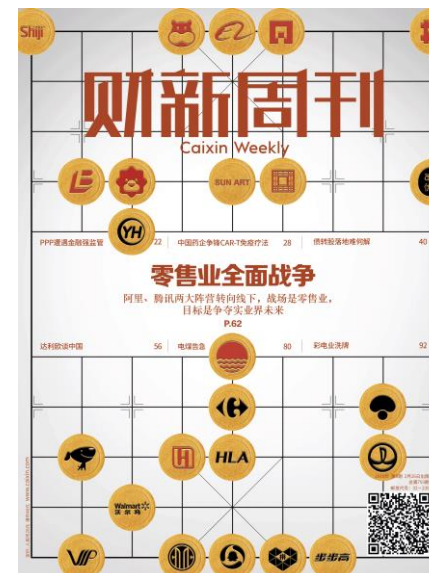
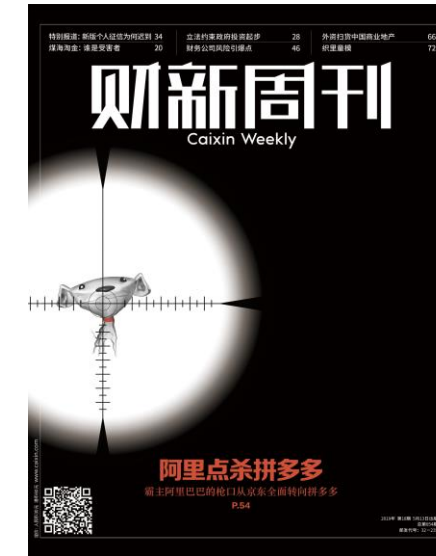
- Baidu is gradually falling behind in the competition
- Baidu abandoned Nuomi.com, Uber, Baidu Music



资料来源: 财新记者采访整理

# 2016-now: two factions

- China's Internet industry has formed two factions, Tencent and Ali.
- JD, PDD and Meituan belong to Tencent faction
- Intime, Sun Art Retail Group and Hellobike belong to Ali faction



# Alibaba prefers acquisitions

- **Four listed companies: Alibaba, Alibaba Health, Alibaba Pictures, Sun Art Retail Group**
- **Two giants in private market: Ant Group, Ali local life service company**

阿里登陆美股后市值增5倍 多业务板块收购得来

8243.80亿美元

2014.7—与银泰合资成立菜鸟网络

收购口碑网

私有化优酷土豆

增持高鑫零售

控股阿里健康

收购银泰

收购饿了么

控股阿里影业

1483.96



资料来源: Wind资讯, 财新记者根据公开资料整理

# Ant Group: the largest Fintech companies in the world

- 700 million MAU
- Everything in daily life done online: clothing, food, shelter and transport
- Consumer loans, payday lending and other financial services



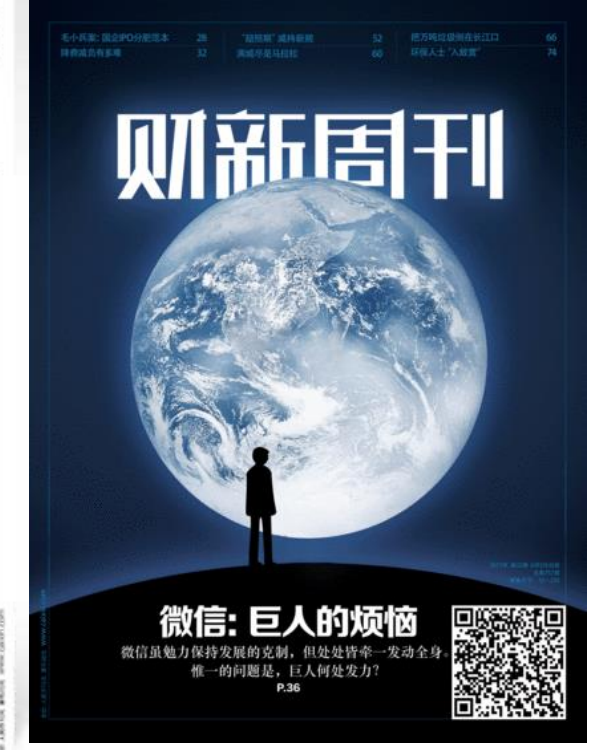
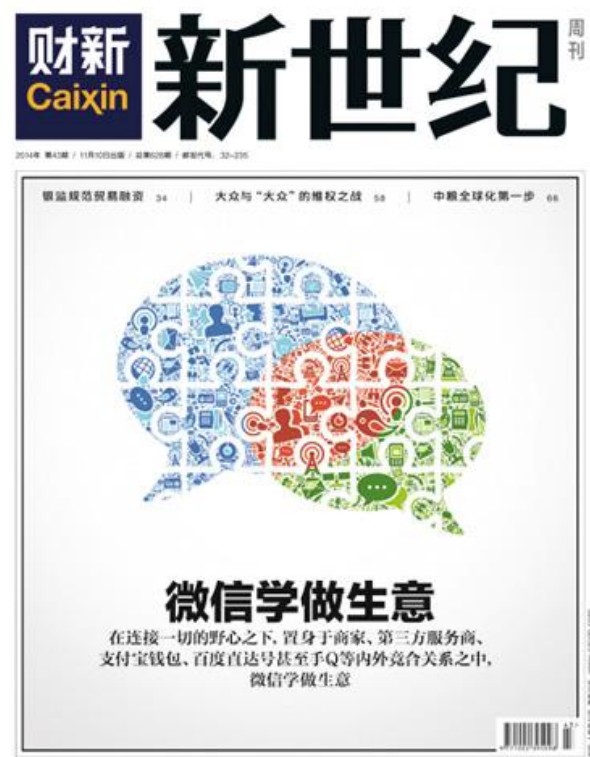
# Tencent: the largest institutional shareholder

- Tencent has invested in over 800 companies, 10% of which went public
- The total market value of them is equivalent to Tencent



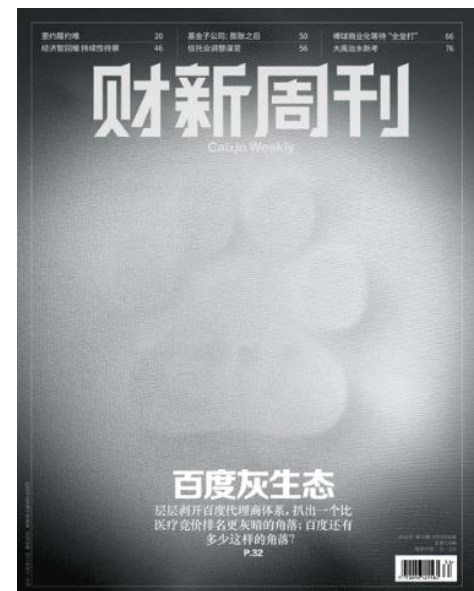
# WeChat: becoming like an OS

- 1.2 billion MAU
- “Micro App” VS App、traditional website
- Official Account VS News web、blog
- Video Account VS TikTok



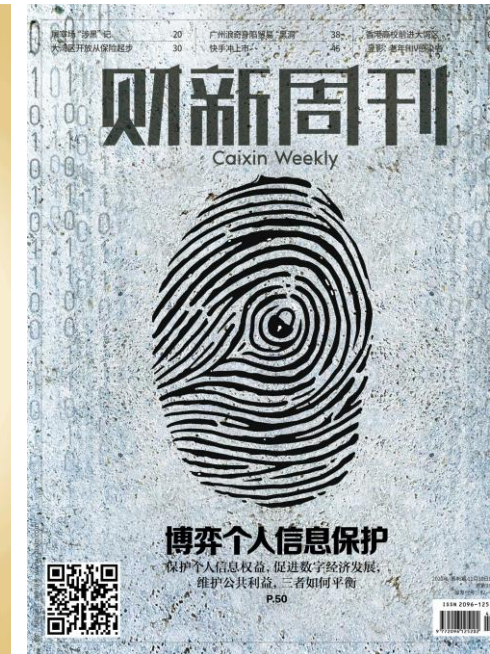
# M&A: various sequels

- Didi: two deaths in one month; facing tightened supervision; net loss
- Bike-sharing: occupying public space, wasting resources
- Baidu profiting from medical, gambling, and pornography advertising



# Tightening supervision of the internet industry

- The suspension of Ant Group's IPO is the turning point
- Anti-monopoly policies were introduced one by one; post-merger review and fines were implemented
- Draft of personal information protection law





## 《个人信息保护法（草案）》要点

● 具体内容 ● 争议

### 个人信息定义

● 以电子或者其他方式记录的与已识别或者可识别的自然人有关的各种信息，不包括匿名化处理后

的信息  
● 与《网络安全法》《民法典》规定的“识别说+列举信息种类”定义不同，带来法律适用和衔接问题；排除了匿名化信息，但匿名化在技术上并非不可复原；未单独明确去标识化信息的法律地位，恐为商业合规埋下隐患

### 个人信息权益

● 立法上首次明确保护个人信息权益；个人在对其个人信息处理活动中享有知情权、决定权；

● 个人有权向个人信息处理者查阅、复制，以及有权请求更正、补充和删除相关信息，处理者应当建立行使前述权利的受理和受理机制；拒绝个人行使权利的请求的，应当说明理由

● 并非传统的民事权利，是一种受保护的人格权益，是立法的一大进步；个人信息具有公共性和社会性，为社会管理和公共利益要让渡一部分个人信息；业界认为应当防止这些权利被滥用，从而导致企业合规成本过度上升

### 人脸识别等身份识别设备特殊适用

● 在公共场所安装使用此类设备，应当为维护公共安全所必需，遵守国家有关规定，并设置显著的提示标识；所收集的个人信息、个人身份特征信息只能用于维护公共安全的目的，不得公开或向他人提供，取得个人单独同意或者法律法规另行规定的除外

● 公共场所、公共安全概念延展性太大，立法应明确具体情形；专家建议设定高于一般个人信息的特殊保护措施，严格实行分类监管；专家建议增加身份识别设备在高度隐私和私密场所的特殊规定

### “告知—同意”规则

● 按不同信息类型，一般个人信息处理要在充分知情情况下，自愿明示同意，处理敏感个人信息、向第三方提供个人信息要单独同意，法律、行政法规规定应当取得书面同意的，从其规定；

● 订立合同、履行法定职责或义务、应对突发公共卫生事件所必需，实施新闻舆论监督等法定例外情形；个人有权撤回同意，且个人信息处理者不得以个人不同意或撤回同意为由拒绝提供服务；提供服务所必需的除外

● 单独同意或书面同意由法律、行政法规规定，但现有众多规范性文件对此含糊不清；向第三方提供要告知个人第三方身份、联系方式、处理目的、方式等多个项目，获得单独同意，且变更处理目的和方式要重新告知并取得同意，对业界影响大

### 监管体制

● 国家网信部门统筹，国务院各有关部门依法履职；县级以上政府部门各司其职；  
● 集中监管还是“九龙治水”；  
● 县级层面被指授权过低，可能产生逐利性执法；属地管辖与超出地域的侵权如何协调

### 国家机关特别规定

● 国家机关处理个人信息也应遵守“告知—同意”规则；依法应当保密，或告知、取得同意将妨碍国家机关履职的除外；不得公开或向他人提供个人信息，法律、行政法规另有规定的除外

● 国家机关包括行政、司法各个领域，特别规定过于简单，专家建议扩展成章；未涉及不同层级、不同地域、不同类型国家机关之间信息共享中的个人信息保护；没有规定国家机关处理个人信息导致侵害的赔偿问题；没有明确个人在国家机关处理个人信息中如何实现查询、复制、请求更正、删除等权利

### 罚则

● 对违法的个人信息处理者、直接负责的主管人员或其他责任人员的“双罚制”；情节严重的顶格处罚为5000万元人民币或上一年度营业额的5%  
● 过于笼统，专家建议对不同情况、不同规模企业分不同情况进行处罚；没明确顶格处罚的权限层级

## 监管信号持续释放 平台反垄断待落槌

2019年8月

国务院发布《关于促进平台经济规范健康发展的指导意见》

12月22日

国家市监总局规定社区团购“九个不得”

2020年1月

《反垄断法》修订草案（征求意见稿）新增互联网相关内容

12月14日

处罚阿里收购银泰、阅文收购新丽、丰巢收购中邮智递三起并购案未申报

2020年7月底

首起正式立案的涉VIE架构合资交易获批

12月24日

国家市监总局宣布调查阿里巴巴“二选一”等涉嫌垄断行为，同日进驻现场调查

11月5日

国家市监总局约谈21家互联网平台禁止“二选一”

12月26日

四部委联合约谈蚂蚁集团提五项整改要求

11月10日

国家市监总局发布《关于平台经济领域的反垄断指南（征求意见稿）》

12月30日

处罚京东、天猫、唯品会不正当竞争行为

11月19日

17部委建立反不正当竞争部际联席会议制度

2021年1月4日

央行年度工作会议要求加强互金审慎监管

12月11日

中央政治局会议明确“强化反垄断和防止资本无序扩张”

资料来源：财新记者根据公开资料整理

# What Next?

A circular graphic with a background of book spines. The spines are arranged in a slightly curved line, creating a sense of depth. The colors of the spines range from light to dark, with some showing text like 'MILIO' and 'L' on them. The overall aesthetic is clean and professional.

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*Thank you for watching*