

Baidu teams up with Huawei to improve user experience

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Chinese search giant Baidu Inc on Thursday announced a strategic partnership with Huawei Technologies Co Ltd, the world's third-largest smartphone maker, aiming to bring digital customer experience to the next level with artificial intelligence innovation.

The announcement came shortly after Baidu teamed up with Chinese smartphone vendor Xiaomi Corp at the end of last month, to tackle the emerging technologies of AI and the internet of things.

Baidu and Huawei said they would conduct in-depth cooperation on areas ranging from AI platform and technologies to internet

services and content ecosystems. The two sides aim to cultivate an open mobile and AI ecosystem, boost the development of AI applications and provide smarter life experiences for global users.

"It is not surprising that Baidu and Huawei would team up together, as we share many similarities — technologies are embodied in our genes and we rely on self-developed core technologies to develop," said Robin Li, chairman and CEO of Baidu.

"Now the era of internet is evolving to the AI era. Baidu has been dedicated to AI for a long time. And Huawei has amassed a huge user base. Together, we can take on tasks that were even impossible in the past," Li added.

Richard Yu, CEO of Huawei's con-

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Robin Li, chairman and CEO of Baidu

sumer business group, said it is now a critical phase for the smartphone industry, and Huawei needs to work with partners like Baidu on AI to offer better user experiences.

"With solid research and development background, Huawei will work with Baidu to promote indus-

trial innovation and jointly develop the next generation of smartphones."

Seeing AI as a key to its future, Baidu has continuously improved its core businesses based on AI and dedicated to expanding its AI-driven businesses through open plat-

forms and ecosystems.

Charlie Dai, principal analyst at consultancy Forrester, said this partnership will help both companies accelerate creation in the consumer and enterprise sectors in the long run.

"In the AI market, value ecosystems, data assets and domain-specific engineering experience are three key factors for market competition. Baidu has been one of the leading companies in AI space in many areas, such as computer vision, NLP and autonomous vehicles; meanwhile Huawei has become a global leader in mobile devices in addition to its telco and enterprise businesses."

James Yan, research director at Counterpoint Technology Market Research, noted the cooperation was also a continuation of Huawei's

AI strategy, marking a significant AI phase that transformed from the development of hardware to the construction of a complete industrial chain surrounding service providers and vendors.

"The cooperation shows the industry trend, which will foster quicker AI application development and enable more related functions," Yan added.

The two companies said they planned to build an open ecosystem employing Huawei's HiAI platform and Baidu Brain, to offer consumers a wide range of AI offerings and new smart service experiences. And they will jointly establish an augmented reality ecosystem, combining hardware and software to enable a more immersive AR experience.

What's news



GOVT AND POLICIES

Inbound tourist trips set to surge this year

The total number of China's domestic and inbound tourist trips will surpass 5.1 billion this year, up by more than 11 percent from 2016, a report showed on Wednesday. Tourism revenue this year will be more than 5.3 trillion yuan (\$802 billion), up 13 percent from a year earlier, according to a report jointly released by the China Tourism Academy and the data center of the China National Tourism Administration. In 2016, the overall contribution of tourism to the national economy stood at 11 percent, with total tourism revenue up 13.6 percent to 4.69 trillion yuan. With the fast expansion of tourism, China has become the world's largest source of outbound tourists and the fourth largest destination of inbound tourists.

Overseas equity oil yields may increase

Chinese companies' overseas equity oil yield is expected to exceed 200 million metric tons in 2018, almost equalling China's domestic annual oil output, an executive with the China National Petroleum Corporation (CNPC) said on Wednesday. "China's oil and gas companies have increasingly expanded their presence in Belt and Road economies, making progress in resource exploitation, oil and gas pipeline construction and industrial chain layout," said Qian Xingkun, deputy head of the Economic and Technology Research Institute under the CNPC, at the 2017 China Oil and Gas Reform Summit. According to a report released by the China Petroleum Enterprise Association, investment and output of Chinese oil and gas companies in Belt and Road economies accounted for over 50 percent of their total overseas investment and production respectively.



COMPANIES AND MARKETS

Alipay inks deal with Pi Pay system

Alipay, the world's largest online and mobile payment platform, has signed a partnership agree-

End of an era



Customers rush to make last-minute purchases at Colette, a landmark French concept store in Paris, before its permanent closure on Wednesday. The boutique in the French capital was also a platform that launched numerous young designers into the fashion sphere since it first opened in 1997.

PIERRE SUU / GETTY IMAGES

ment with Cambodia's Pi Pay, allowing customers to use their Alipay wallets to pay at Pi Pay's Point of Sale payment systems across Cambodia. The partnership will see Alipay become immediately available as a payment option for Chinese tourists across Pi Pay's merchant network in Cambodia, which consists of over 1,400 businesses, including high-end dining, haute couture fashion, spa treatment, mini-marts and petrol stations.

Alibaba forms digital alliance with BMW

Alibaba Group Holding Ltd and German automaker BMW Group said on Thursday they will co-develop a range of "digitalized experiences for the car and home" for all new BMW models sold in China from the first half of 2018. Under the agreement, BMW car owners in China can use smart speakers to remotely access information about their cars, such as

how far they can drive with what's left in the gas tank and whether doors and windows have been left open or closed, Alibaba said in a statement. The Chinese tech giant will help the automaker integrate smart speakers with BMW's cloud-based infotainment platform and the sound-recognition and processing technology developed by its cloud computing division.

Volkswagen passenger car sales hit new high

Volkswagen's passenger cars brand sold 3 million vehicles in the Chinese market as of Wednesday, breaking an all-time high in a single year, the company said on Thursday. China remains the brand's biggest single market, with sales of sports utility vehicles still robust, according to the company. The company plans to launch at least four new SUVs next year to meet strong demand.

Facebook likely to axe Britain First account

Facebook said it was reviewing the account of Britain-based far-right group Britain First to decide whether to suspend it. "There are clearly issues with their page on Facebook," Facebook's Director of Public Policy Simon Milner said, adding that a number of posts had been taken down. "We are obviously reviewing it, but we are very, very cautious about political speech," Milner told The Telegraph.



AROUND THE WORLD

Bank of Japan retains monetary stimulus

The Bank of Japan (BOJ) on Thurs-

day decided to maintain its ultra-easy, aggressive monetary policy as it continues its pursuit of a lofty 2 percent inflation goal amid stagnant wages and slow price gains. The BOJ following its two-day policy board meeting voted to hold its short-term interest rates at minus 0.1 percent and keep its 10-year government bond yield to about zero percent through its bond buying program. Japan's central bank also voted to maintain its purchases of assets, including exchange-traded funds. Despite the government heralding an escape from deflation and seven straight quarters of economic expansion, price gains have remained low at just 0.8 percent.

France likely to revise growth target for 2017

The French national statistics bureau, Insee, has painted a better economic outlook for France in its latest economic forecast. In data released on Tuesday, Insee expected favorable business climate and

higher investments to drive up the growth rate to a six-year high this year. For the whole of 2017, French gross domestic product (GDP) would grow by 1.9 percent, one percentage point higher from a previous estimate. Thanks to positive performance of global markets, the country's economy "is likely to maintain its momentum over the coming quarters" at 0.6 percent by the year-end and 0.5 percent in early 2018.

Consumption set to slow down in Croatia

The Croatian National Bank (HNB, the country's central bank) expects the economy to grow by 3.1 percent in 2017, while next year it predicts a slowdown to 2.9 percent, Croatian news agency HINA reported on Wednesday. The new prediction for this year is a slight drop from the last HNB estimation that the economy would grow by 3.3 percent in 2017. The bank is predicting a slower growth in personal consumption in 2018, which will lead to the slower growth of 2.9 percent. In 2018, inflation is expected to pick up, so prices are likely to rise 1.6 percent, while this year's inflation will be 1.2 percent. According to HNB, unemployment will fall next year, from 12.4 to 11.3 percent.

Vietnam attracts more foreign investment

Vietnam is poised to attract foreign direct investment (FDI) of \$35 billion in 2017, the biggest amount over the past 10 years, the country's Foreign Investment Agency said on Wednesday. The country is also set to see FDI projects' realized capital of \$17 billion in 2017, the biggest amount over the past 30 years. By the end of November 2017, Vietnam had housed 24,580 valid FDI projects with total registered capital of over \$316.9 billion.

Singapore's Grab starts services in Cambodia

Singapore-based ride-sharing firm Grab has launched its services in Cambodia, three months after its US rival, Uber Technologies, commenced services in the nation. Speaking at the launch ceremony in Phnom Penh, Cambodian Transport Minister Sun Chanthol said currently there are already a number of transport app providers in the country, including the two international companies. "Ride hailing is a new concept for many in Cambodia," he said. "We are pleased that companies are confident of doing business in Cambodia."

CHINA DAILY - AGENCIES

Belt and Road Initiative provides boost for logistics deals in 2017

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Chinese companies' buying spree in the logistics industry, bolstered by the Belt and Road Initiative, is gathering pace, with both the number of deals and the value of those deals hitting a new record.

Several mega deals led to a near year-on-year doubling of transaction value.

According to Grisons Peak LLP, a London-based boutique investment bank, the aggregate amount of Chinese firms' equity investment or mergers and acquisitions into logistics businesses reached \$32.2 billion through mid-December of

this year, more than double the \$12.9 billion seen in all of 2016.

There have been 16 deals in logistics sector so far this year, compared to 11 in 2016 and six in 2015, according to the study.

Asked about the reasons behind such rapid growth, Henry Tillman, chairman and CEO of Grisons Peak, said, "Chinese outbound investment in ports, both in equity and in debt, was well in excess of \$20 billion during the past year."

"It is therefore only logical that once the ports are secured, logistics would follow," he said in an emailed interview.

The largest deal this year was China Investment Corp's acquisition of

“ There is still room for consolidation in the logistics industry ... Money coming out of Asia, especially China, to buy developed market assets is likely to be a rising phenomenon.”

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European logistics company Logisor for \$13.8 billion from Blackstone Group LP.

This deal, conducted by China Investment Corp (CIC), the country's sovereign-wealth fund, repre-

sents the largest-ever European real estate deal in terms of transaction value, and the fourth-largest Chinese foreign acquisition to date.

The assets of Logisor are well maintained, "featuring high occu-

pancy and stable income," CIC said in a news release.

Alibaba Group, the Chinese e-commerce giant, invested \$1 billion in June to raise its stake in Southeast Asian online retailer Lazada Group, a move to further expand its global footprint in overseas markets.

Launched in 2012, Lazada helps more than 135,000 local and international sellers as well as 3,000 brands serving the 560 million consumers in the region.

"It is also noteworthy that in addition to the equity/M&A figures, Alibaba's three Asian e-commerce platforms can also be expected to play an important role in logistics or

links along the B&R Initiative," Tillman said.

The trend of logistics industry M&As is set to continue over the next few years, said Bob Gill, general manager for Southeast Asia at ARC Advisory Group. "There is still room for consolidation in the logistics industry ... Money coming out of Asia, especially China, to buy developed market assets is likely to be a rising phenomenon."

Deal activities involving fintech, healthcare and technology sectors are expected to increase in both Israel and the UK, which are both focused on building out the presence of tech lab or hubs, according to Tillman.