**Y SUITES CHINA INSIGHTS** 

# CHINAINSIGHTS

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**Fortnightly Newsletter** 



## SUMMARY

- U.S. Slashes Inbound Chinese Passenger Flights To 40% Capacity
- Chinese Students In Legal Action Against Trump-era Visa Restrictions
- China's Top Court Says Grueling '996' Work Schedule Illegal
- Chinese Tutoring Platforms End Classes With Foreign-based Teachers
- Festive China: The Romantic Story Behind China's Valentine's Day
- New Oriental Has Released Data Analysis Report: New Oriental China Study Abroad 2021
- Opinion: What China's Parents Really Think About The Three-child Policy

### KEY HIGHLIGHTS





NEWS



LIFE & CULTURE



CORONA PANDEMIC



CHINA FACTS & ANALYSIS

## **INTERNATIONAL RELATIONS** & DIPLOMACY



International students and their parents line up to board at Shanghai Pudong Airport on Thursday. Photo: China News Service/Yin Liqin/VCG

#### **CHINA-US** | U.S. SLASHES INBOUND CHINESE PASSENGER FLIGHTS TO 40% CAPACITY

#### **CAIXIN GLOBAL, AUG 19**

U.S. aviation authorities have forced four Chinese carriers that fly to the country to slash their passenger capacity by 60%, after Beijing imposed a similar restriction on four United Airlines routes to China.

The order from the U.S. Department of Transportation (DOT) dated Wednesday said the limit will apply to Air China, China Eastern Airlines, China Southern Airlines, and Xiamen Airlines over a four-week period.

The restriction will take effect on Aug. 23 starting with Air China's Beijing-Los Angeles route in the first week, followed by China Eastern's Shanghai Pudong to New York flights, China Southern's Guangzhou to Los Angeles flights, then Xiamen Airlines' Xiamen to Los Angeles flights in the final week of Sept. 13.

## **CHINA-US** | CHINESE STUDENTS IN LEGAL ACTION AGAINST TRUMP-ERA VISA RESTRICTIONS

#### CGTN, AUG 11

May 2020, the White House In announced that certain Chinese graduate students and researchers associated with entities in China that implement or support China's militarycivil fusion strategy would be prevented from entering the U.S. under the F or J nonimmigrant visa. A U.S. State Department spokesperson said in an interview with the media that the policy design "narrow-targeted." is bv

An earlier report by China Daily finds that at least 500 visa applications from Chinese nationals were rejected by the U.S. embassies and consulates in China, from May 4 to mid-June. An analysis report by the Center for Security and Emerging Technology finds that the proclamation so far may have affected 3,000 to 5,000 Chinese students.



Among the students who experienced the visa denial were those who majored in science, technology, engineering and mathematics (STEM), and who graduated from the 11 civilian Chinese universities on the U.S. Department of Commerce's Entity List.

Affected Chinese students and researchers are now thinking of resorting to legal channels. 1/15

#### CHINA-AUSTRALIA | CHINA'S STEEL EXPORTS TO AUSTRALIA DROP 50% IN BLOW TO LOCAL ECONOMY

#### **GLOBAL TIMES, AUG 17**

China's steel shipments to Australia have dwindled by more than 50 percent in recent months, faster than the country's overall steel export plunge, and the trend is set to further accelerate, as China takes more measures to cut output and restrict exports, industry insiders said.

China's shrinking steel supply, against the backdrop of deteriorating bilateral relations, will likely lead to a steel shortage for the recovering Australian economy, which is about to embark on a massive infrastructure plan, analysts pointed out.

Analysts also took note of a "domino effect" of the supply cut on Australia's iron ore, whose shipment to China represents over 60 percent of the latter's iron ore imports. The bulk commodity is deemed as a pillar of the Australian economy.



A worker rushes to finish orders for special steel products at a factory of China Baowu Steel Group's specialty steel subsidiary in Maanshan, East China's Anhui Province. Photo: cnsphoto

## **NEWS**

#### US-BOUND CHINESE STUDENTS FACE COSTLY TICKETS AND CROWDED AIRPORTS



Passengers wait to check in at Shanghai Pudong International Airport, Aug. 16, 2021. Zhang Lifen for Sixth Tone

#### SIXTH TONE, AUG 17

As the U.S. relaxes travel restrictions and universities start in-person classes after months of pandemic-related uncertainties, Chinese students who were either stuck while visiting home last year or those starting fresh are finally flying to their destinations. In 2020, 372,532 Chinese students enrolled at universities across the U.S., according to the Open Doors Report on International Educational Exchange.

With the frequency of U.S.-bound flights from China still in low numbers, the start of the new semester has driven the demand for carriers, including Cathay Pacific and Delta Air Lines, according to the respective companies. Many students are hopping on any flights they can find, regardless of the sky-high prices.

On Chinese booking site Trip.com, the cheapest one-way ticket from Shanghai to New York with two transfers on Friday costs nearly 20,000 yuan (\$3,085), with prices soaring to almost 70,000 yuan for the same day.

"I spent a lot of time and energy applying to schools; I wouldn't give up easily," Zhuyuanquan said, referring to online comments criticizing students for traveling amid the pandemic.



Chinese authorities said it's illegal for companies to make employees work extended hours and terminate their contracts for not following excruciating work schedules commonly known as "996" — 9 a.m. to 9 p.m., six days a week.

China's Ministry of Human Resources and Social Security and the Supreme People's Court jointly published several real-life scenarios on Thursday to clarify the country's legal standards on working hours and overtime wages. The 10 cases are meant as a reference for local arbitration institutions and courts when handling labor-related disputes.

Authorities said the cases would help "correct illegal behavior of employers" and "protect workers' rights." Chinese labor law stipulates daily work shifts should not exceed eight hours or over 44 hours a week on average.

"The tech company took advantage of its dominant position, requiring employees to sign on the standard terms unilaterally formulated by them to give up overtime pay," the Supreme People's Court said in its interpretation of the ruling. "It violates legal provisions as well as the principle of fairness."

Chen Ying, a lawyer at Beijing Yingke Law Firm, told Sixth Tone that improved regulations mean there has been an increase over the years in workers claiming overtime wages or demanding compensation for illegal termination of labor contracts. While companies usually don't tell employees to work overtime. Chen said they often do so indirectly by increasing their workload or demanding more output.

#### **COMPANY |** WALL STREET ENGLISH TO ANNOUNCE BANKRUPTCY NEXT WEEK

#### **GLOBAL TIMES, AUG 13**

Wall Street English, an Italian international adult English training company, will reportedly announce the bankruptcy of its Chinese business next week.

The bankruptcy announcement comes after China ramped up measures to clamp down on the private tutoring sector. Although most measures are targeted at regulating K12 education companies, niche industries on adult and vocational education are also seeing a freeze as capital withdraws.

Wall Street English was founded in Italy in 1972. It entered the Chinese market in 2000 and has opened 71 learning centers in 11 Chinese cities, hiring over 3,000 staff in its peak time. But now, less than 30 schools are still running, with around 1,000 employees left.

The hardened measures mandate private tutoring firms to register as non-profit organizations and will no longer be allowed to raise capital in stock markets. Foreign investment in the sector will be banned.

#### **COMPANY |** CHINESE EDTECH NEW ORIENTAL PLANS PARENT TRAINING COURSES

#### **YICAI GLOBAL, AUG 12**

Chinese education technology firm New Oriental Education & Technology Group has launched teaching centers in Beijing and Hangzhou offering training courses for parents as part of its moves to diversify amid tighter oversight of extracurricular education.

Other firms in the edtech sector have also been diversifying their businesses. Gaotu Techedu has developed vocational education courses, and Yuanfudao has launched courses for children aged three to eight.

Shares in listed online tutoring companies focusing on kindergarten-to-grade 12 education have plunged over 50 percent since late July. New Oriental's stock price [NYSE: EDU] sank 2.3 percent to USD2.14 in New York yesterday.



**EDUCATION |** CHINESE TUTORING PLATFORMS END CLASSES WITH FOREIGN-BASED TEACHERS

#### SIXTH TONE, AUG 10

Several online English tutoring firms announced they will stop offering classes taught by teachers based abroad, as companies adjust to a raft <u>of</u> <u>government restrictions targeting the country's</u> <u>tutoring sector</u>.

51Talk, an online English education platform with around 30,000 Filipino teachers, said Monday that it was immediately halting courses taught by foreign-based tutors to teenagers and children in the Chinese mainland. However, students aged 15 and above who are mainly enrolled in adult courses will not be affected by the change.

The announcement came just days after another leading English education platform, VIPKid — backed by tech giant Tencent — announced to stop selling classes taught by tutors abroad and ceased renewing those classes starting Monday. VIPKid said it will however launch English courses for adults and "bilingual classes on intangible cultural heritage" in the future.

The rules could affect tens of thousands of foreign-based teachers, as major English tutoring services providers — including ByteDance Ltd.'s <u>GoGoKid</u> and <u>Whales</u> <u>English</u> — have moved to make similar decisions.

#### NIKKEI ASIA, AUG 09

A global survey of downloads in 2020 shows TikTok, a video-sharing app developed in China, on top of the list of social media providers for the first time since the study was first conducted in 2018.

Domestic apps dominate the China market where many from overseas are closed out. Three in China's top ten are for short video posting, including Douyin, the predecessor of TikTok, which ByteDance still provides in China.



Among newcomers, Little Red Book (RED, Xiaohongshu) was fifth most downloaded. It combines social networking with ecommerce, mainly cosmetics, fashion, dietary supplements and consumer goods. In China, word-of-mouth is important, especially among women.

**TECH |** TIKTOK OVERTAKES FACEBOOK AS THE WORLD'S MOST DOWNLOADED APP



Shanghai first graders read textbooks in September 2017. Photo: Yin Ligin/China News Service/VCG

#### **CAIXIN GLOBAL, AUG 09**

Shanghai education authorities canceled final exams in English and prohibited primary schools from carrying out midterm exams, marking the latest of a range of new measures sweeping China designed to reduce the academic burden on young students..

Primary schoolers should be given finals only for Chinese and mathematics, while other subjects will be evaluated without giving specific test scores, according to a notice released last week by the city's education commission. The document also says first-graders should not be given any written tests and primary schools should not conduct district-wide unified examinations.

#### China education firms to end most classes with foreign teachers.

#### **REGULATION |** CHINESE REGULATOR ORDERS ONLINE GAMING FIRMS TO LIMIT SERVICES TO MINORS IN STRICTEST ANTI-ADDICTION MOVE

#### **GLOBAL TIMES, AUG 30**

National Press China's and Publication Administration, the country's media regulator, on Monday ordered internet gaming companies to provide just one hour of service to minors from 8-9 pm on Fridays, weekends and official holidays, in the strictest requirement yet in the country's campaign to tighten regulations to prevent gaming addiction among minors.

Gaming firms are banned from providing services to minors in any manner at any other time, in order to prevent minors from becoming addicted to internet games, and to protect their physical and psychological health. the notice said.



The regulator also ordered gaming companies to strictly carry out real-name registration and log-ins.

News of the strict requirements sent shares of major US-listed Chinese gaming firms sharply lower in pre-market trading. US-listed NetEase slumped over 5 percent, while videosharing platform Blibli was down 3 percent as of 6 pm Beijing time.

#### **TECH |** CHINA'S XIAOMI COMPLETES BUSINESS REGISTRATION OF ELECTRIC VEHICLE UNIT



#### **GLOBAL TIMES, SEPT 01**

Chinese smartphone giant Xiaomi Corp (1810.HK) said on Wednesday it has completed the official business registration of its electric vehicle unit, marking the latest milestone in its push into the automotive sector.

The new unit, to be called Xiaomi EV Inc, opened with registered capital of 10 billion yuan (\$1.55 billion) and Xiaomi CEO Lei Jun as its legal representative, Xiaomi said in a statement.



China Telecom, one of the top three Chinese telecom giants, also showed its cooperation with domestic industrial machinery provider Sany Group to build an Al-backed intelligent factory that's fully connected with a 5G network.

Minister of Industry and Information Technology Xiao Yaqing said that China's 5G application cases have exceeded 10,000, covering key industries such as steel, electricity and mining.

At the 2021 World 5G Convention on Wednesday. Huawei introduced а solution that combines 5G technologies with edge computing. artificial intelligence (AI) and big data, to create unmanned opencase mines. The solution provides various functions including remote control of mining equipment and trucks' autopilots, which can help minimize the number of human operators.

**TECH** | CHINESE FIRMS PUSH FORWARD 5G APPLICATION IN INDUSTRIES, EPIDEMIC CONTROL



The 2021 World 5G Convention in Beijing on September 1, 2021 Photo: Tao Mingyang/GT



Xpeng's Zhaoqing production line has a capacity of 150,000 cars a year. Photo: Iris Ouyang

#### SOUTH CHINA MORNING POST, AUG 08

Chinese electric vehicle (EV) start-up <u>Xpeng Motors</u>, which counts Alibaba Group Holding and Xiaomi among its backers, is building a factory less than a year after its first assembly facility went online.





The <u>New York Stock</u> <u>Exchange-listed</u> <u>carmaker</u> will build a 7.89 million sq ft factory in Wuhan, it said on Thursday. The facility will have the capacity to assemble 100,000 EVs a year, Xpeng said.





#### FESTIVE CHINA: THE ROMANTIC STORY BEHIND CHINA'S VALENTINE'S DAY CHINA DAILY, AUG 14

The seventh day of the seventh lunar month is Qixi, widely regarded as China's Valentine's Day.

Legend has it that the youngest daughter of the Jade Emperor (the ruler of the world as per the legend), the Weaver Girl, became tired of the boring immortal life and decided to descend to the mortal world. She met and fell in love with a cowherd, a union strongly objected by the Jade Emperor who in turn forcibly separated them by the Milky Way, leaving them torn apart by the galaxy and only allowing them to meet once a year, on the seventh day of the seventh lunar month.

The distance did not weaken their affection toward one another, as they still loved each other and looked forward to meeting once a year on the seventh

<u>Watch this video</u> to learn more about the legend, as well as traditions and customs related to Qixi





**GLOBAL TIMES, AUG 09** 

China's Twitter-like social media platform Sina Weibo has suspended a sevenyear-old function that ranks entertainers through fan voting in the wake of a campaign launched by the Chinese government to bring order to the country's fan club industry.

The campaign, which has mobilized enterprises, individuals and government organizations to crack down on unhealthy fan culture, has made some progress after its implementation two months ago.

Besides the voting function on Sina Weibo, more than 150,000 posts containing negative information, over 4,000 illegal social media accounts and 814 unhealthy topics have been removed from the platform. More than 1,300 "problematic" fan groups have been dissolved, and reality shows have become a target of regulation, according to news website The Paper.

## **CORONA VIRUS PANDEMIC**

#### **YANGZHOU BECOMES ANOTHER COVID-19 HOTSPOT AS CASES SURGE**

#### **SIXTH TONE, AUG 11**

Another city in eastern Jiangsu province has become the latest COVID-19 hotspot in China, as the country tries to contain a new wave of infections that started from Nanjing three weeks ago and has since spread to at least a dozen provinces and regions.

Yangzhou has reported 448 confirmed local cases after identification of the first July 28. infection on local health authorities said Wednesday. Officials said the outbreak in the city was "complex and severe," with infected patients ranging from 1 to 90 years old.

Meanwhile, COVID-19 cases in Nanjing have been declining over the past few days. On Wednesday, the city logged only one new case of local transmission, while there were no confirmed infections on Sunday and Tuesday.

#### **CHINA APPROVES MIXED-USE COVID-19 VACCINE TRIALS TO START IN AUTUMN**

#### SOUTH CHINA MORNING POST, AUG 10

China's medical products regulator has approved local trials for the combined use of the Chinese Sinovac Covid-19 vaccine and a DNA vaccine developed by American biotech company Inovio.

The trials are set to begin in the autumn in China and will evaluate the safety and ability of the combined vaccines to induce an immune response in adults. Inovio said.

In a paper published on the preprint service medRxiv.org on Sunday, the researchers said that while antibody levels "declined substantially" six months after two doses of the Sinovac vaccine among older adults, a third dose could induce a seven-fold increase in antibody levels in a week compared with that of 28 days after the second dose.

## **CHINA FACTS & ANALYSIS**

#### NEW ORIENTAL HAS RELEASED DATA ANALYSIS REPORT: NEW ORIENTAL CHINA STUDY ABROAD 2021

- 92% of study abroad students currently in China are planning to return to their country of study.
- 91% of Chinese students are still considering study abroad under the pandemic.
- The average study abroad budget reaches \$520,000;
- 79% of study abroad students are currently in China while 54% of them are remotely continuing their study, 25% students GAP in China
- As a result of the epidemic, 47% of students who are interested in studying abroad are considering various options, while 44% are sticking to their plans.
- 90% of students preparing to study abroad felt their plans were affected by the epidemic, including their choice of country, academic plans and timing of studying abroad.
- Australia is currently in 6th place as a target country for study, compared to the UK, USA, Canada, Japan and Hong Kong in the top 5.
- <u>more data...</u>



ON

## **CHINA FACTS & ANALYSIS**



More than 500 Chinese science and engineering graduate students were denied study visas by the U.S. on the grounds of Presidential Proclamation 10043 signed by President Trump in June last year, Chinese state-run media reported.

According to estimates from CSET, around 3,000 to 5,000 Chinese applicants to STEM graduate programs could be denied visas each year because of the ban, representing 16% to 27% of Chinese students who pursue STEM graduate programs in the U.S.

The year-on-year growth in Chinese students studying in the U.S. has fallen from about 30% in the 2009-2010 academic year to 0.8% in the 2019-2020 academic year, according to a report released by the Center for China and Globalization (CCG).

One country looking to benefit from the U.S.' changing image is the U.K.. According to data from U.K. authorities, a record 25,810 Chinese students applied for undergraduate studies in the country in 2021, marking a 21% increase compared to 2020.

The percentage of Chinese international students choosing Australia (18.84%), Canada (16.19%), Japan (4.54%), Singapore (3.84%), and New Zealand (2.51%) for their studies last year also increased year-on-year, according to data collected by EIC Education.

"China has introduced a higher birth limit in an attempt to stave off a looming demographic crisis. But families say they have zero interest in having a third kid."

#### OPINION WHAT CHINA'S PARENTS REALLY THINK ABOUT THE THREE-CHILD POLICY

#### SIXTH TONE, AUG 30

"Absolutely not," she told Sixth Tone when asked whether she intended to take advantage of the relaxed family-planning rules. "No one wants to have a third child, as far as I know."

Ma's response is a sign of the daunting challenge China faces as it seeks to reverse its plunging national birth rate and stave off a looming demographic crisis.

"There was still this deep-rooted idea in my hometown — it's shameful if you don't have a son," he recalled. "It was common to be asked, 'how many sons do you have?' I usually answered, 'I have 1.5 — a daughter equals 0.5 sons.'"

Still desperate for a son, Ma Keluo decided to take a risk and have a third child. But after his third daughter, Ma Mei, was born in 1984, the father had to give up his dream. His school had already reduced his salary for violating the national birth limit, and he expected the punishment would be even more severe the next time.

Today, however, the retiree no longer feels it necessary to have a large family. After China abolished the one-child policy, his two eldest daughters both decided to have another baby. But when his third child, Ma Mei, considered doing the same, Ma Keluo tried to talk her out of the idea.

Once she had given her son a sibling, Ma Li decided her family was large enough. The financial cost of having a third child was simply too high, she said.

As she got older, Ma Mei said she began to appreciate her sisters more. In high school, they'd call each other and share their teenage angst. After they started families, they'd swap advice on parenting and education. And now that their father, Ma Keluo, is beginning to suffer serious health issues, they support each other more than ever.

"That would be too much of a burden," said Ma Mei. "As my sister put it, after she had a second son, she felt like she was working two jobs ... It's too hard. I still want to live my own life."

Her father and older sister also return to this point. Ultimately, parents want to be able to give their children everything they need and still have some time and money left for themselves, said Ma Li.

"People who value their quality of life and education think the same way everywhere: They won't easily consider having a third child," she said.



Welcome to the Suite life

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