

Sales of *Ne Zha 2* derivative products sizzle

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Chinese blockbuster *Ne Zha 2*, the highest-grossing animation movie of all time, is still driving strong sales of derivative products after its screening in January, and is expected to leverage a GDP increment of 200 billion yuan (\$27.86 billion), its investor said.

Wang Changtian, chairman of Beijing Enlight Media Co, the major investor of the *Ne Zha* franchise, made the remarks at the opening forum of the 27th Shanghai International Film Festival on Sunday.

He said besides box office revenues of *Ne Zha 2*, a single product category of its derivatives could generate tens of billions of yuan in sales, and the developers, producers, and sellers of its derivative products have received significant market dividends.

In the long term, sales of derivatives could reach hundreds of billions of yuan, he estimated.

The company said the development of the derivative products of *Ne Zha 2* was advanced to the early stage of film development, and a rich variety of derivatives such as



Derivative products relating to Chinese blockbuster *Ne Zha 2* on display at a shop in Beijing.
YAN XIANG / FOR CHINA DAILY

badges, cards, figurines and plush toys have been launched. When the film was officially released, its entire contracted derivative brands portfolio was unveiled.

The blind boxes of domestic toy maker Pop Mart have become one of the hottest derivatives of *Ne Zha 2*. Its total sales volumes on e-commerce platforms such as Tmall and social media platforms like Douyin and RedNote have exceeded 250,000 units.

The huge popularity of *Ne Zha 2* has boosted the earnings of Beijing Enlight Media.

During the first quarter of this year, the company achieved a sales revenue of 2.98 billion yuan, up 177.87 percent year-on-year. Its net profit came in at 2.02 billion yuan, surging 374.79 percent year-on-year, according to its earnings report.

The film has been screened in multiple countries, including more than 30 European nations.

Wang said Beijing Enlight Media expects the overseas box office revenues of *Ne Zha 2* to exceed \$100 million.

This is already the highest for Chinese mainland films in the

past 20 years.

“Chinese films need to enhance the core competitiveness of their distribution chains, while actively cultivating overseas audiences’ interest and habits in watching Chinese-language films,” said Li Wei, professor of economics at the Cheung Kong Graduate School of Business.

“The Chinese film industry needs to produce a large number of high-quality films like the *Ne Zha* series that are comparable to international standards in order to form economies of scale in overseas markets,” Li said.

Renewables playing critical role in power supply

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China’s wind and solar power sectors are playing a crucial role in ensuring electricity supply during the summer peak demand season, supplementing traditional energy sources, according to industry data and officials.

The 2-gigawatt Kubuqi solar power project, located in the Kubuqi Desert in North China’s Inner Mongolia autonomous region, has been generating an average of 10.31 million kilowatt-hours daily since June, said its operator China Huaneng Group Co Ltd.

This has further increased the proportion of clean energy in the power supply of the electricity grid of the region, one of China’s major large-scale renewable energy bases.

The project, with an intelligent operation and maintenance system to increase power generation, ensures stable supply of green power during high temperatures, said Jia Shaobai, deputy director of the Kubuqi photovoltaic power station of China Huaneng Group Co Ltd.

According to Hou Wenjie, director of the Statistics and Data Center of the China Electricity Council, the proportion of new energy power

generation is currently about a quarter of the country’s total power generation, thanks to the continuous increase in the penetration rate of new energy.

It is gradually becoming the main source of incremental electricity and playing an increasingly important supporting role in power balance, he said.

Significant investment and technological progress have further positioned China as the operator of the world’s most advanced power grid, while ensuring power supply during the peak demand season, according to the council.

Song Hongkun, deputy director of the National Energy Administration, said China’s renewable energy has maintained high-speed development, high-proportion utilization and high-quality consumption in recent years, playing an important role in ensuring power supply and promoting energy transition.

As of the end of April, non-fossil energy power generation capacity accounted for nearly 60 percent of China’s total installed capacity, among which grid-connected wind power and solar power reached 540 million kilowatts and 990 million kilowatts, respectively, making up a combined 44 percent of the total

installed capacity, data released by the administration show.

China’s total renewable energy power generation capacity reached 2.017 billion kilowatts by the end of April, a year-on-year increase of 58 percent. Wind and solar power combined reached 1.53 billion kilowatts, historically surpassing thermal power capacity, it said.

China has been stepping up efforts to construct large-scale clean energy bases and inter-provincial transmission lines, eyeing to ensure a national renewable energy utilization rate of no less than 90 percent by 2027, said Song.

To enhance the power system’s ability to absorb renewable energy, China has implemented a series of measures, including coordinated planning for the development of power grids and renewable energy sources.

As summer heat intensifies and power demand surges, regions across China are also increasingly leveraging virtual power plants (VPPs) that aggregate distributed renewable energy sources like wind and solar, alongside energy storage, to bolster grid stability and ensure reliable electricity supply.

This growing reliance on aggregated clean energy comes as tradi-

tional power sources are supplemented to meet peak consumption.

A virtual power plant is a network of decentralized energy resources that are controlled via software to function as a single, flexible power source. It allows these dispersed resources to mimic the behavior of a traditional power plant, providing electricity to the grid or responding to changes in demand.

Shanghai’s Songjiang district, for example, has come up with the city’s first district-level regulatory framework for VPPs. The framework, drafted by State Grid Shanghai Songjiang Power Supply Co, aims to establish a 100 megawatt demand-side flexible peak-shaving VPP by the end of 2025 — capable of stabilizing 5 percent of the annual maximum load.

China, the world’s largest market for low-carbon energy investment, is aggressively pursuing VPPs to bolster its grid flexibility and renewable energy integration, setting targets to reach 20 gigawatts of virtual power plant capacity by 2027 and 50 GW by 2030.

This initiative aims to mitigate power fluctuations and enhance grid stability, ensuring reliable electricity supply in Songjiang during the summer peak season.

Firms urged to up AI, digital investments

Chinese enterprises gradually moving toward high-quality growth trajectory

By FAN FEIFEI
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Chinese companies should scale up investments in fast-evolving artificial intelligence technology and push forward digital transformation as part of a broader push to accelerate the shift toward an innovation-led and quality-driven growth model, and navigate an increasingly complex global landscape, industry experts said.

Coupled with geopolitical tensions and macroeconomic fluctuations, an increasing number of enterprises are reviewing their traditional growth models, and need to adopt more flexible strategies to cope with supply chain restructuring and changes in export control measures, said a report by global consultancy Accenture.

The report said in recent years that Chinese enterprises have gradually moved away from a reliance on scale-driven growth toward high-quality growth, mainly driven by increased investment in technological innovation, accelerated global expansion and continued capital input in digitalization.

Their breakthroughs in AI, robotics and biomedicine highlight China’s growing innovation capability in critical technologies that underpin long-term competitiveness, it stated.

The consultancy estimates that adopting a holistic approach to productivity, with generative AI acting as a multiplier, could boost productivity growth from 1.9 percent to 15.9 percent.

Generative AI refers to computer algorithms trained with huge amounts of data capable of generating content such as images, text, audio and video in a human-like fashion. It is the key technology underpinning United States-based research company OpenAI’s ChatGPT.

“Chinese companies must strengthen foundational R&D, pursue long-term innovation and embed new technologies into core business scenarios,” said Samantha Zhu, chairperson of Accenture Greater China, adding that they should foster agile, cross-functional talent with upskilling and rotation mechanisms, and leverage generative AI to boost productivity.

The country’s spending on research and development has maintained rapid growth thanks to efforts to support technological innovation. The National Bureau of

Statistics said China’s R&D expenditure exceeded 3.6 trillion yuan (\$501.2 billion) in 2024, up 8.3 percent year-on-year, ranking second globally.

Moreover, a rising number of Chinese companies are pursuing international growth, expanding into new markets, building global supply chains and strengthening localizing operations, reflecting a proactive approach to navigate global complexities and diversify revenue sources, the report stated.

Zhu said that in the process of globalization, these companies must strengthen localized operation capabilities and build global brands, highlighting that digital technologies represented by generative AI can not only help enterprises enhance response capabilities in overseas markets, but also deepen customer insights and elevate operational efficiency on the global stage.

The nation’s AI sector will make great strides in the next 10 to 15 years, with its market size reaching 1.73 trillion yuan by 2035, accounting for 30.6 percent of the global total, said market research firm CCID Consulting.

Xiang Ligang, director-general of the Zhongguancun Modern Information Consumer Application Industry Technology Alliance — a telecom industry association — underscored the significance of developing digital technologies such as AI, which will inject fresh impetus into the country’s economic growth and promote the digital transformation and upgrades of traditional industries.

Noting that some Chinese enterprises are facing mounting difficulties in digital transformation, including budgetary shortfalls and inadequate skills training, Xiang said these companies should devise long-term plans and continuously pour money into this field.

Chinese companies are becoming more active in investing in advanced digital technologies and bolstering technological innovation, while generative AI is increasingly perceived as a key driver to build resilient supply chains and help companies adapt more quickly to sudden changes and take data-driven and real-time actions, said Pan Helin, a member of the Expert Committee for Information and Communication Economy, which is part of the Ministry of Industry and Information Technology.

Themed products win Gen Z’s hearts

By WANG ZHUOQIONG
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China’s Gen Z consumers are fueling a new wave of growth in the country’s toy and collectibles markets, with Tmall and Taobao platforms reporting record-breaking performance during this year’s “618” mid-year shopping festival.

From May 13 to June 12, six flagship stores on Tmall and Taobao surpassed 100 million yuan (\$13.9 million) each in sales. The stores included Pop Mart, miHoYo, Shanghai Disney Resort, Jellycat and LEGO. Nearly 100 merchants exceeded the 10 million yuan mark, according to official platform data.

Sixteen individual products crossed the 10 million yuan threshold, and nearly 800 products recorded over 1 million yuan in sales. More than 2,400 collectible stores on Tmall posted triple-digit year-on-year growth.

The standout performance reflects the growing demand for licensed and intellectual property-

6 number of flagship stores on Tmall and Taobao which surpassed 100 million yuan (\$13.9 million) each in sales from May 13 to June 12

based merchandise among China’s young consumers.

The Walt Disney China, for example, launched a nationwide campaign tied to its Stitch IP. According to Walt Disney last year, retail turnover from Stitch-licensed merchandise in Chinese mainland had grown nearly fourfold over the past three years. The release of *Lilo & Stitch: The Series* is expected to further boost demand.

As of May 16, the brand had collaborated with 66 licensees, developing themed products spanning toys, apparel, electronics, and food categories. The Stitch collection was launched for purchase across more than 4,000 Miniso stores. The company has also launched pop-up activation in major cities including Suzhou, Guangzhou, and

Beijing since May.

Stitch-themed installations were also rolled out across 149 Wuyue Plaza malls, aimed at engaging families and younger fans.

The rise of the “guzi” economy — shorthand for derivative products based on intellectual properties in comics, games, and novels — continues to transform China’s consumer market. Tmall introduced more than 200,000 new collectible products during the first phase of this year’s 618 festival, covering around 2,000 IPs.

Gaming and e-sports merchandise saw a sales spike of more than 80 percent year-on-year. Popular products included plush dolls, standees, and laser-etched collectibles.

According to e-commerce advisory Analysys, emotional value and identity expression are emerging as dominant themes in China’s consumption landscape. In its “2025 618 First Wave Review,” the firm cited the collectibles boom as evidence of consumers seeking personalized and meaningful purchases.



Full connection

State builders from China Railway No 4 Engineering Group Co Ltd complete digging the 16.27-kilometer Xujiaping Tunnel on the Tianshui-Longnan Railway in Gansu province over the weekend. The 215.3-km line is expected to begin operating in 2027.

SHI JIAMIN / FOR CHINA DAILY

Briefly

Help with smart power services

Employees of Chinese power companies are working to bolster safe and energy-efficient services to clients. In the city of Xuzhou in Jiangsu province, employees from State Grid Xuzhou Power Supply Co have adopted an approach of “offline popularization + online interaction” to publicize safe electricity use. At an

offline event site, they used display boards, physical demonstrations and Q&A sessions to explain the functions of smart electricity meters. They also established service teams to provide extended services in communities. At residential areas of Jingdian and Fashion Milan, they guided residents on using the “State Grid Online” app to check real-time loads and the power consumption of electrical appliances.

Yuan weakens against greenback

The central parity rate of the Chinese currency renminbi, or the yuan, weakened 17 pips to 7.1789 against the US dollar on Monday, according to the China Foreign Exchange Trade System.