



FLANDERS-CHINA CHAMBER OF COMMERCE  
VLAAMS-CHINESE KAMER VAN KOOPHANDEL

# NEWSLETTER | 2 MAY 2017

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## FCCC/EUCBA ACTIVITIES

### China: Opportunities in the Healthcare market – Monday 15 May 2017 – Barco – Kortrijk

The Flanders-China Chamber of Commerce is organizing a seminar on opportunities in the Chinese healthcare market. This event will be held on Monday 15 May at 14h30 at Barco, Beneluxpark 21, 8500 Kortrijk.

The seminar is organized in cooperation with the Cheung Kong Graduate School of Business, Flanders Investment & Trade, Agoria Healthcare Technology Essencia, MedTec Flanders and the Regional Development Agency West-Flanders.

#### Opportunities for healthcare?

Healthcare reform has become one of the priorities of the Chinese government. China's healthcare market is growing quickly – around 17% per annum in recent years. It is now the second largest market in the world for medical devices and pharmaceuticals. China's healthcare service market is also quickly becoming one of the largest in the world.

During this seminar, Mr. Bo Ji, Chief Representative and Assistant Dean of the Cheung Kong Graduate School of Business, will give you a better understanding of the opportunities in the fast-growing Chinese healthcare market. This will be followed by testimonials from Barco and Televic, sharing their experiences on the Chinese market.

The program is as follows:

13h30	Registration
14h00	Barco Company Tour (optional)
15h00	Introduction by Ms Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce
15h05	<a href="#">Business Opportunities in the Chinese Healthcare market</a> <i>Mr. Bo Ji</i> , Chief Representative, and Assistant Dean, Cheung Kong Graduate School of Business
15h50	<a href="#">Experiences of Flemish companies on the Chinese healthcare market</a> <i>Mr. Filip Pintelon</i> , Senior Vice-President GM Healthcare, Barco, <i>Mr. Olivier Billiau</i> , International Sales and Marketing Director, Televic
16h30	Questions and Answers
17h00	Announcement of the China Immersion Programme for the Health Industry
17h10	Networking

#### PRACTICAL

**When:** Monday, 15 May 2017

**Location:** Barco, Beneluxpark 21, 8500 Kortrijk

**Price:** Members: €75 (excl. VAT) — Non-members: €115 (excl. VAT)

If you are interested in participating, kindly register via this link: [goo.gl/ByyAR8](http://goo.gl/ByyAR8)

This is a very informative event for companies active in the Health Industry including Pharmaceuticals, Biotechnology, Nutrition, Medical Insurance, Medical devices and applications, as well as Healthcare and life sciences.

## One Day China Immersion Programme – “Understanding China’s Next Move” – Monday, 22 May 2017, 09h00 – 17h00 – Ghent

The Flanders-China Chamber of Commerce, the Cheung Kong Graduate School of Business and the Province of East Flanders are organizing the One Day China Immersion Programme: **“Understanding China’s Next Move”**. This programme will take place on Monday May 22, 2017 at the Provincial House, Gouvernementstraat 1, Ghent.

“Understanding China’s Next Move” will give European executives the latest China market insights and explain how to do business with a changing China. The course contains the following 5 modules:

- Win in China - Formulas and Business Models (with case studies and group discussions): Analysis of multiple business models across a variety of industries will demonstrate exactly what it takes to establish your brand, grow your consumer base and 'win in China'
- Chinese Consumer Behaviour and Digital Marketing in China: This session will analyse the latest trend of Chinese consumer behaviours in the mobile internet era and how it differs from Western consumers. We will also study how to capitalise on the business opportunities that are presented by the unique consumer behaviours in China
- Cross-cultural Management under Chinese Context: It is essential to understand how to work with and manage a cross-cultural team that do business with China to ensure effectiveness and results
- Negotiation with the Chinese: Often viewed as difficult, mystical and unpredictable, with an in-depth understanding of Chinese negotiating philosophy, culture and tactics, Western executives could develop a complementary strategy to win

### Schedule

09:00 – 09:30 Registration

09:30 – 09:45 Welcome by Mr Geert Versnick, Vice Governor in charge of European and International cooperation and economic affairs of the Province of East Flanders

Introduction by Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce

09:45 - 10:55 Win in China: Formulas and Business Models

11:10 - 12:40 Chinese Consumer Behaviour and Digital Marketing in China

12:40 - 13:40 Networking Lunch

13:40 - 15:10 Cross-Cultural Management under Chinese Context

15:25 - 16:55 Negotiation with the Chinese

17:10 - 17:40 Award certificate from CKGSB, Flanders-China Chamber of Commerce & Province of East Flanders

**LEARN MORE:** <https://goo.gl/rRABn7>

[Register here](#)

If you prefer to pay through wire transfer, please contact [lpwan@ckgsb.edu.cn](mailto:lpwan@ckgsb.edu.cn) for more payment details.

## About the speaker



Bo Ji, Chief Representative of Europe & Assistant Dean of Global Executive Education

Bo is currently the Assistant Dean & Chief Representative for Europe at Cheung Kong Graduate School of Business (CKGSB), a top business school with more than 10,000 chairman/CEO level alumni in China. Bo had an over-20-year successful business career in Global Business Development, Innovation, Strategy, Supply Chain Management, M&A, etc. He served as the senior executive at the headquarters of many Fortune 500 companies such as Monsanto, Cargill, Pfizer, Wrigley and Mars. He is also a well sought conference speaker.

Combining his extensive business experiences and in-depth knowledge, Bo has been teaching EMBA/MBA at some of the

world's most prestigious business schools such as INSEAD, Esade, MIT, New York University, Hong Kong University of Science and Technology, Technology University of Munich, Tsinghua University, CKGSB, Zhejiang University, Sun Yat-Sen University, Shanghai Jiaotong University and Taiwan's National Chengchi University etc. In addition, Bo also offers advice to Chairmen and CEOs. He is also a frequent speaker at renowned international conferences, forums, TV media and annual corporate meetings.

For more information, contact

Liping Wan, CKGSB: [lpwan@ckgsb.edu.cn](mailto:lpwan@ckgsb.edu.cn)

Gwenn Sonck, Flanders-China Chamber of Commerce: [gwenn.sonck@flanders-china.be](mailto:gwenn.sonck@flanders-china.be)

Member price: €450/ticket

Non-member price: €500/ticket

**Conference: "Sharing Chinese & Western Leadership Insights" – 22 May 2017, 18h30 – Antwerp**

### **"SHARING CHINESE & WESTERN LEADERSHIP INSIGHTS"**

LEAD-IN and the Flanders-China Chamber of Commerce are organising their joint conference which explores Western and Chinese models of business leadership with an expert panel of business leaders and academics.

Different cultures can have radically different leadership styles and it is important for international organisations to understand them. As European business continues to expand into China, and Chinese companies establish operations around Europe, employers need to integrate both Chinese and European perspectives into their leadership models.

Understanding the inherent differences between Chinese and European leadership styles is essential for successful talent management programs. Our conference will give you a clear understanding of the similarities and differences between Chinese and European leadership styles and how to apply them to your company.

#### **Topics we will explore:**

- What are the similarities and differences in Western and Chinese leadership models in business?
- How do Chinese/European companies innovate, deal with human capital and strategy?
- What is the leadership impact of Chinese corporate leadership on long-term future planning, innovation, human relationships, strategic planning, M&A and value creation?

- How should Western executives adapt to leading in a Chinese company?
- What are the main leadership challenges for Chinese companies coming into Europe?
- How do you become an inspirational leader in a Chinese/European business venture?
- Where do Western and Chinese leadership models converge?

**Keynote speaker: Mr Bo Ji, Chief Representative for Europe and Assistant Dean of China's top business school, Cheung Kong Graduate School of Business.**

#### **Panelists**

- Bo Ji, Chief Representative for Europe and Assistant Dean, Cheung Kong Graduate School of Business.
- Charlene Wu, Chairman, Anbang Belgium
- Philip Eyskens, Senior Vice President Legal, IT and M&A, Bekaert
- Dirk Coorevits, General Manager, Soudal

#### **PROGRAM**

- **18h30:** Registration
- **19h00:** Welcome by Jacques Vandermeiren, CEO Port of Antwerp
- **19h05:** Introduction on Chinese & Western leadership models by Bo Ji
- **19h25:** Panel debate
- **20h15:** Q&A and closing remarks by Bart De Smet, Chairman Lead-In, Vice Chairman, Flanders-China Chamber of Commerce
- **20h30:** Cocktail reception

#### **PRACTICAL INFORMATION**

**When:** 22 May, 2017

**Location:** Port House Antwerp, Zaha Hadidplein 1, 2030 Antwerp

**Time:** 18h30 - 22h

**Price (Excl. VAT):** Members €50 — Non-members €100

Members of the FCCC can obtain the discount code by sending a request to: [info@flanders-china.be](mailto:info@flanders-china.be)

#### **REGISTRATION**

If you wish to participate in this event, please register via the following link; [goo.gl/JlwziU](http://goo.gl/JlwziU)

#### ***About the Cheung Kong Graduate School of Business***

**Cheung Kong Graduate School of Business (CKGSB)** is a world-class business school in China that aims to develop current and future leaders with a global vision, a humanitarian spirit and an innovative mind-set. Over the past 15 years, CKGSB has developed into a prominent business school with 45 full-time professors, who have earned their PhDs or held tenured faculty positions at leading business schools such as Harvard, Wharton and Stanford. More than half of the 10,000 CKGSB alumni are at the CEO or Chairman level and, collectively, lead one-fifth of China's most valuable brands. Together, their companies shape over USD1 trillion in annual revenue, 14% of China's GDP, which demonstrates the school's impact and influence. CKGSB has a European office located at 11–12 St. James Square, London.

#### ***About the Speakers***

**Bo Ji, Assistant Dean for Europe, CKGSB;** Inspiring TEDx speaker; Chinapreneur

Bo is the Chief Representative of Europe and Assistant Dean for Global Executive Education. Bo oversees CKGSB's office in London, with the goal of helping European businesses to understand China and successfully doing business in this dynamic market. His primary responsibilities are elite network management and conference speaking throughout Europe.

Bo has a strong background in both global business and executive education. He has led divisions at Fortune 500 companies including Monsanto, Cargill, Pfizer, Wrigley and Mars. He has also taught Executive MBA and MBA programs at top global business schools including MIT, NYU, INSEAD, HKUST and Tsinghua University.

## Participate in the 12<sup>th</sup> EU-China Business Summit - 2 June 2017 – Brussels

Members of the Flanders-China Chamber of Commerce (FCCC) are invited to participate in this year's EU-China Business Summit. On 2 June 2017, the EU and China will hold their 19<sup>th</sup> political summit in Brussels. As is customary, BusinessEurope and the China Council for the Promotion of International Trade (CCPIT) will organise the 12<sup>th</sup> EU-China Business Summit on the same date. The Summit is organized in cooperation with the EU-China Business Association and the European Union Chamber of Commerce in China under the auspices of the European Commission and MOFCOM. The Flanders-China Chamber of Commerce, which is leading the EU-China Business Association, is also supporting this major event.

The purpose of this business summit is to bring together 500 business leaders under the auspices of political leaders on both sides. This is the largest bilateral business forum between the EU and China and is an opportunity for the business community to place a number of economic issues on the political agenda.

It will be an all-day event held at the Egmont Palace in Brussels, featuring four panel discussions on a number of topics, followed by speeches by Premier Li Keqiang and President Jean-Claude Juncker. We are still exploring the possibility of inviting other Commissioners to participate in different parts of the programme.

All details on the programme, speakers, participation and how to register are available on the website: [www.eu-china-business-summit.eu](http://www.eu-china-business-summit.eu). Within the next 1-2 weeks a first draft programme will appear on the website with agreed topics and current speakers.

Programme: We have proposed the following topics:

- Trade and investment – how China and the EU can bolster the global trading system
- EU-China Connectivity
- A digital panel (Internet of Things/5G/Manufacturing 4.0)
- Climate and sustainability

In case of interest in sponsoring, please contact [m.fermont@business-europe.eu](mailto:m.fermont@business-europe.eu) with [gwenn.sonck@eucba.org](mailto:gwenn.sonck@eucba.org) in cc.

Participation: Individual participants can register via the website. The cost of participation is 180 EUR + VAT (the same as in 2015), and includes all day access to the venue and the entire programme, breakfast, lunch, reception, and refreshments throughout the day.

An official invitation will follow in one or two weeks.

### ***About the EU-China Business Association***

The **EU-China Business Association (EUCBA)** is the EU-wide federation of national non-profit business organisations in the European Union with specialization and particular expertise in exchange of knowledge on investments and trade with China. At current, EUCBA unites 20 members in 20 countries representing more than 20,000 companies – large, medium, and small, in all branches of industry, commerce and the service sector.

EUCBA promotes direct investment and trade between China and the EU through international exchange of information and joint projects of its members – providing European companies a stronger base for expanding trade cooperation with China.

## **ACTIVITIES SUPPORTED BY FCCC**

### **2017 Chinese Enterprises Outbound Investment Conference – 26-27 May 2017 – Changsha**

The 2017 Chinese Enterprises Outbound Investment Conference will be held on May 26-27 at Meixi Lake Hotel in Changsha, Hunan province.

Program:

Friday, May 26, 2017

14:00-17:00      Registration

18:00-20:00 Welcome dinner (by invitation only)  
Welcome speeches by Mr. Wang Jinzhen, Vice Chairman of the China Council for the Promotion of International Trade (CCPIT) and by the Governor of Hunan province

Saturday, May 27, 2017

08:00 Registration  
09:00-09:40 Opening ceremony hosted by the Changsha Municipal Government  
09:40-10:00 Agreement signing ceremony and release  
10:00-10:20 Coffee break  
10:20-11:20 Plenary session 1: Tendency of transnational investment – keynote speaker of the Development Research Center of the State Council  
11:20-12:20 Plenary session 2: International cooperation on production capacity – keynote speaker of the National Development and Reform Commission (NDRC)  
12:20-13:30 Buffet luncheon  
13:30-15:10 Parallel meeting 1: Agricultural international cooperation – keynote speaker of the Ministry of Agriculture  
Parallel meeting 2: Overseas economic and trade cooperation zone – keynote speaker of the Ministry of Commerce  
15:10-15:30 Coffee break  
15:20-17:10 Parallel meeting 3: Support service for transnational investment – keynote speaker of the Silk Road Fund  
Parallel meeting 4: Intelligent manufacturing – keynote speaker of the Sany Heavy Industry Co  
17:30 Buffet dinner

Confirmation of attendance to be received before May 10.

Contacts:

Ms. Zhang Yingping [zhangyingping@ccpit.org](mailto:zhangyingping@ccpit.org)

Mr. Yu Biao [yubiao@ccpit.org](mailto:yubiao@ccpit.org)

Ms. Guan Cong [guancong@ccpit.org](mailto:guancong@ccpit.org)

## 2017 China-EU SME Cross-Border Investment and Trade Conference – 2 June 2017 – Brussels

The Bank of China, in partnership with EUROCHAMBERS, and supported by the EU-SME Centre and the EU-China Business Association (EUCBA), is organizing the 2017 China- EU SME Cross-Border Investment and Trade Conference.

More than 200 companies have already registered to this event. More than 100 Chinese companies will be available to discuss business opportunities.

Several subsidiaries of the Alibaba Group will be present, among which Ant Financial Services Group, formerly known as Alipay. This company operates the Alipay payment platform. It also runs the Zhima credit rating system. For our event, Ant Financial Services Group will be allocated in the E-Commerce and Overseas Tourism sector.

Alibaba Cloud is another subsidiary of the Alibaba Group. Alibaba Cloud provides computer services covering IaaS, PaaS, SaaS, big data and bespoke solutions.

However, the best known Alibaba company in this group is **Alibaba.com (Europe) Ltd**, which is the leading English-language wholesale marketplace for global trade. Buyers on [Alibaba.com](http://Alibaba.com), who are located in more than 200 countries and regions all over the world, are typically trade agents, wholesalers, retailers, manufacturers and SMEs engaged in the import and export business. ([www.alibaba.com](http://www.alibaba.com)).

Belgian and European companies will be able to discuss with them the possibility of entering the Chinese market through their internet channel. There will be plenty of opportunities for future cooperation.

Companies are divided into sectors. Most of the companies already registered come from the

following sectors:

- agriculture and food
- high-end equipment manufacturing
- high technology
- environment and renewable energies

Matching will be done through the B2B platform. This will allow to maximize the matches and to ensure the quality of each bilateral meeting.

The updated website [www.bocsmeevent.com](http://www.bocsmeevent.com) will give you a lot of additional information on this exceptional event.

The presence of Alibaba will allow a very large group of entrepreneurs to open the path to China. E-commerce is indeed a giant opportunity to establish direct links with the Chinese end consumers.

**Time:** 2 June 2017.

**Venue:** Brussels

**Participating enterprises:** Around 100 Chinese enterprises and 200 EU enterprises will be invited to attend the Cross-Border Matchmaking Event, which conducts several rounds of "One to One" negotiation and connection.

**Industry focus:** Agriculture & Food Industry; Bio-Pharmacy & Health Care; Chemical Industry; E-Commerce; Environment and Renewable Energies; High Technology; High-end Equipment Manufacturing; Winter Sports and Cross-Border Tourism

**Advantages:**

- During the 19<sup>th</sup> EU-China Summit
- To realise China-EU bilateral benefits – Multi-Industry Matchmaking
- One to one on site negotiations
- Debt-Equity Combination Financing – BOC Customized Service

**Fee:** Registration: Free of Charge

Lunch and Coffee Breaks: Provided by BOC for all Participants

Interpreters (Chinese-English): Available during the Conference

**Registration:** [www.bocsmeevent.eu](http://www.bocsmeevent.eu)

**Contacts:**

Tel: 0032-2405 6663 ; 0032-2405 6691

Email: [sme.be@bankofchina.com](mailto:sme.be@bankofchina.com)

[sme.be@mail.notes.bank-of-china.com](mailto:sme.be@mail.notes.bank-of-china.com)

Contact Address : 20 Avenue des Arts, 1000 Brussels, Belgium

## Weihai International Food Expo – 16-19 June 2017 – Weihai

**Weihai International Food Expo**

Date: 16<sup>th</sup> to 19<sup>th</sup>, June, 2017

Venue: Weihai International Exhibition Center

**Organisers:** Department of Commerce of Shandong Province, Shandong Entry-Exit Inspection and Quarantine Bureau and Weihai Municipal Government

**Supporting Sponsors :**

Foreign Trade Development Bureau of Ministry of Commerce, China Chamber of Commerce, China Aquatic Products Processing and Marketing Alliance, Korea Trade-Investment Promotion Agency, Royal Thai Consulate-General in Qingdao, Japan C & Z Communication, Asian-International Trade and Investment Association, Malaysia China International Trade Link Association, Taiwan Cross Strait Exhibition Association.

**Introduction**

Weihai International Food Expo was founded in 2010, and it is China's first food exhibition focusing on exporting quality and safety of agricultural products. It is held by the Department of Commerce of Shandong Province, Shandong Entry-Exit Inspection and Quarantine Bureau and Weihai Municipal Government in June every year. It has been successfully held for 7 sessions, with in total 4228 international standard booths, 2266 exhibitors from home and abroad, 10,500 professional buyers from more than 40 countries and regions, and 11.07 billion yuan of trade intention. The exhibition area is 30,000 square meters. The Expo will invite about

3,000 purchasers from large domestic chain supermarkets and business associations, purchasers from South Korea, Japan, Russia, Malaysia, Thailand, Taiwan and other countries (regions). Exhibition scope will cover marine food, agricultural and sideline products, snack foods, imported food, alcohol and beverages, food packaging and processing machinery.

### **Advantages**

Weihai is the largest fishing production base in northern China, China's largest frozen food export base, China's largest production and processing base for kelp, China's largest fish oil capsule production base and seafood canned production base, China's largest peanut exporting base, and the biggest base for aquatic products and concentrated fruit juice in China. As an important city for exporting agricultural products, Weihai has been the first city to construct quality and safety demonstration base in the country since 2008, and it has formed a reliable quality and safety supervision mode to enhance the quality of agricultural products including aquatic products. Weihai City has been awarded the Shandong Provincial Government and General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China first "Quality and Safety Demonstration City of Exporting Agricultural Products in Shandong Province" award and the first batch of Quality and Safety Demonstration City of Exporting Agricultural Products in China.

### **Preferential Policies**

For all overseas exhibitors, we will provide free booth, for which business license copy would be required. For the team leader who organizes more than 10 overseas exhibitors (1 person for each delegation), we will provide preferential policies of airport pick-ups and seeing-offs (only for Weihai Airport and Yantai Airport). For overseas purchaser, after confirmed with identification, we will provide preferential policies, including airport pick-ups and seeing-offs (only for Weihai Airport and Yantai Airport), and 3 days (with 2 nights) free accommodation. For the team leader who organizes the purchaser delegation of more than 10 overseas excellent purchasers (1 person for each delegation), we will provide preferential policies of 3 days (with 2 nights) free accommodation.

### **Contact and registration:**

Contact person: Chen Hui, [chenhuich2003@aliyun.com](mailto:chenhuich2003@aliyun.com)

## **ASEM High-Level Forum on Digital Connectivity – June 19-20, 2017 – Qingdao**

The ASEM High-Level Forum on Digital Connectivity will take place in Qingdao on June 19-20, 2017. This Forum is a follow-up event to the 11<sup>th</sup> Asia-Europe Meeting (ASEM) held in July 2016, and co-organized by China Council for the Promotion of International Trade (CCPIT), Ministry of Foreign Affairs of China, Ministry of Industry and Information Technology of China and Ministry of Commerce of China.

19-20 June 2017 Shangri-La Hotel, Qingdao, China

### **Tentative Programme**

#### **18 June 2017 (Sunday)** All day Arrival of Delegates

09:30 Optional Field Trip: Visits will be arranged to Qingdao Hi-tech Development Zone, West Coast New District, Blue Silicon Valley, Sino-German Ecological Park, Haier Group, Hisense Group, Red Collar Group and etc.

#### **19 June 2017 (Monday)**

08:00 Registration

09:00 Opening Ceremony (Conference Hall, 2nd Floor, Qingdao Shangri-La Hotel) MC: Yin Zonghua, Deputy Chairman of China Council for the Promotion of International Trade (CCPIT)  
Speech: JIANG Zengwei, Chairman of CCPIT

Welcome Remarks: Governor of Shandong Province

Speeches: High-Level Representatives from Co-Sponsors and other ASEM Members

Keynote Speech: ... from the State Council of China (TBC)

10:20-10:40 Coffee Break

10:40 Plenary Session: Digital Connectivity - Unleashing Potential for Innovative Growth  
Moderator: Yu Jianlong, Secretary-General of China Chamber of International Commerce (CCOIC)

Keynote Speeches by government officials and entrepreneurs from ASEM partners as well as international organization representatives

12:15 Buffet Lunch (Ballroom, 3rd Floor, Qingdao Shangri-La Hotel)

14:00 Session I: IT Industry Cooperation and Development

As IT technology keeps upgrading, Asia and Europe are in need of enhancing cooperation in IT industries and promoting connectivity to create “digital Asia-Europe”. This session will discuss current status, experience and cooperative directions of IT industry, IT industry development and copyright protection, Internet of Things/Internet of Vehicles, internet and finance, next generation of Internet and electric power development, Smart City building, shared economy – integrated development of IT industry and traditional industries and etc.

14:00 Session II: Digital Infrastructure

Infrastructure is the cornerstone of digital connectivity. The member countries of ASEM are working on filling the vast gap in digital world, raising investment for digital infrastructure and exploring potential of digital economy. This session will discuss current development, characteristics and cooperative visions of the construction of digital infrastructure, issues of opening international telecommunication market, case study on digital infrastructure investment, construction of telecommunication network (cross-border cables), market operation of digital infrastructure, digital infrastructure and 5G network, financing of digital infrastructure and etc.(Session I and Session II are in parallel)

18:00 Reception and Dinner (Ballroom, 3rd Floor, Qingdao Shangri-La Hotel)

## 20 June 2017 (Tuesday)

09:00 Session III: Cross-Border E-commerce

As fundamental technology to drive the globalization of trade, cross-border e-commerce does not only overcome the barriers of states, but also leads the revolution of international trade. This session will discuss trends of cross-border e-commerce, internet upgrading and new opportunities for cross-border e-commerce, effective methods to simplify goods imports-exports and transit procedures such as “single window”, payment and clearing, rights and interests protection, business cooperation in cross-border e-commerce and etc.

09:00 Session IV: Big Data and Industry Upgrading

The development and application of big data will stipulate the growth of productivity. Both traditional and emerging industrial countries highly value the integration of big data and manufacturing. This session will discuss intelligent manufacturing in Asia and Europe, big data for small and medium enterprises, Artificial Intelligence (AI) and service robot industry, security issues of big data, future of big data and cloud computing and etc. (Session III and Session IV are in parallel)

11:00 Coffee Break

11:10 Closing Ceremony (Conference Hall, 2nd Floor, Qingdao Shangri-La Hotel) MC: (TBC)  
Moderators of the four sessions report to the plenary on the discussion.

Adoption of the outcome document (TBC)

Closing Remarks by officials from Ministry of Foreign Affairs of China, CCPIT and Co-Sponsors

12:00 Buffet Lunch (Ballroom, 3rd Floor, Qingdao Shangri-La Hotel)

A registration form is available by sending an e-mail to [info@flanders-china.be](mailto:info@flanders-china.be)

## ADVERTISEMENT AND SPONSORSHIP

### Advertisement and sponsorship opportunities 2017

The Flanders-China Chamber of Commerce offers several advertising and sponsorship opportunities in order to give your activities more exposure to potential new clients and collaboration.

If you are interested in advertising or sponsoring or need more information, please send an e-mail to: [gwenn.sonck@flanders-china.be](mailto:gwenn.sonck@flanders-china.be)  
[www.flanders-china.be](http://www.flanders-china.be)

The sponsoring opportunities are the following:

## **1. SPONSORING OF ACTIVITIES**

During FCCC activities, you can put a banner of your company at the event and distribute documentation of your company and obtain free invitations.

Invitations are distributed via E-mail and the FCCC website and newsletters. The events are announced in different media channels.  
The fee is according to each different event.

## **2. SPONSORING AT THE FCCC WEBSITE**

Your logo will be displayed on the FCCC home page with click through to your own website or to your own page on the FCCC-website

GOLDEN SPONSOR (12 months): 1.950 €

SILVER SPONSOR (6 months): 1.450 €

## **3. SPONSORING IN THE FCCC WEEKLY NEWSLETTER**

Every Monday, the weekly Newsletters are sent and posted on the FCCC website.

Number of recipients every week: 1200 executives dealing with China

GOLDEN SPONSOR (12 months): 1.950 €

SILVER SPONSOR (6 months): 1.550 €

SPONSOR (3 months): 895 €

## **4. SPONSORING IN THE QUARTERLY E-NEWSLETTER IN CHINESE AND ENGLISH LANGUAGE: "NEWS FROM THE HEART OF EUROPE: FLANDERS"**

- Newsletters are also posted online at the FCCC website
- 1 issue every quarter
- Number of direct recipients: +/- 2000 Chinese and Belgian business leaders, local authorities and institutions
- Distributed through the different Chambers of Commerce in China
- Your logo on the electronic newsletter and a 200-word profile of China activities

GOLDEN SPONSOR: 1.650 € -3 issues

SILVER SPONSOR: 1.250 € - 2 issues

Amounts are excl. VAT.

## **5. SPONSORING EU-CHINA ACTIVITIES**

The EU-China Business Association (EUCBA) is an association of Associations in the European Union countries promoting business relations between European enterprises, institutions and their Chinese counterparts. It is an International non-profit organisation registered in Belgium.

The FCCC holds the secretariat-general of the EUCBA.

The EUCBA organises high-level EU-China events and also publishes a Quarterly newsbulletin.

[www.eucba.org](http://www.eucba.org)

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## **PAST EVENTS**

### **Meeting EUCBA and Chinese Mission to the EU – 25 April 2017 – Brussels**

On 25 April, 2017, Mrs Chai Xiaolin, Minister in Charge of Economy and Trade at the Chinese Mission to the EU invited Mr Jochum Haakma, Chairman and Ms Gwenn Sonck, Secretary

General EU-China Business Association to discuss cooperation between China and the EU and the role of EUCBA in the promotion of trade relations between both sides.

### Seminar: Win in China: Doing business with a Changing China – How to tap into the Chinese market for growth – 19 April 2017 – Antwerp

The Flanders-China Chamber of Commerce, the City of Antwerp and the Port of Antwerp organized a seminar focused on 'Win in China: Doing business with a changing China' on 19 April at the Port of Antwerp.

In December 2016 the City of Antwerp, The Port of Antwerp and Antwerp World Diamond Centre held another successful mission to China. The bonds between partner cities Antwerp and Shanghai were strengthened, contacts were made, allegiances forged, toasts raised and contracts signed. Given the good relationship between both cities and the growing economic importance of China, the future opportunities are legion. During the mission Mr. Bo Ji already taught us how to better understand the Chinese and enhance our negotiating power. The response to this lecture was very satisfactory therefore we requested Mr. Ji Bo to give us more insights into a changing China.

Following a word of welcome by Mr. Luc Arnouts, Chief Commercial Officer, Port of Antwerp, keynote speaker Mr. Bo Ji was introduced by Mr. Christian Leysen, Board Member of the Flanders-China Chamber of Commerce. Mr. Bart De Wever, Mayor of the City of Antwerp, delivered the closing speech. A networking reception concluded the event.

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## AUTOMOTIVE

### China aims to become car making superpower

China is aiming to become a world car making powerhouse in a decade, vowing to boost development of new-energy vehicles (NEVs) and relax restrictions on foreign ownership in the auto industry. The country will strive to achieve breakthroughs in key technologies and markedly increase the share of Chinese brands in the international auto market by 2025, according to an auto industry development plan released by three government departments, including the Ministry of Industry and Information Technology (MIIT). China is the world's largest auto market but lags behind frontrunners in core technology, parts and components production, innovation and brand development. The plan set the target that China should "enter the ranks of world automobile powerhouses after 10 years of sustained efforts. It also noted the risk of overcapacity in the industry and concerns over energy, environmental and traffic problems arising from the huge number of cars hitting the road. The government pins hopes on NEVs and "smart" cars to upgrade the industry. Sales of NEVs should reach 2 million by 2020 and account for more than 20% of total vehicle production and sales by 2025, according to the plan. China sold 507,000 NEVs last year, the most in the world for a second year and up 53% from 2015, according to the China Association of Automobile Manufacturers (CAAM). Still, NEV sales represented under 2% of China's overall auto market last year.

The plan said highly and fully autonomous cars will start to enter the Chinese market by 2025, when 80% of new cars should be equipped with driver assistance systems or certain types of self-driving systems. Internationally competitive producers of auto parts and components will emerge in the country, smart industrial chains will be developed, while car fuel efficiency will be increased. The plan also stipulates that restrictions on foreign ownership in joint-venture carmakers will be relaxed "in an orderly manner." Currently China caps foreign stakes in joint ventures in the domestic auto industry at 50%. Auto sales in China hit a record high of 28.03 million in 2016, up 13.7% year-on-year and ranking first among all countries. About half of the total were Chinese brands. The plan predicted China's annual auto output to rise further to 30 million by 2020 and 35 million by 2025, the Shanghai Daily reports.

## FINANCE

### Drop in mortgage loans forces banks to look for fresh income sources

Mortgage loans, the engine of growth for most Chinese banks in 2016, are sputtering amid a

government crackdown on residential sales and housing loans, forcing lenders to diversify their businesses in search of fresh income sources, analysts said. Already, at least 40 cities have implemented curbs and regulations to limit the number of apartments Chinese citizens can own. That is putting a lid on mortgages, which soared 35%, or by CNY4.96 trillion, to a record CNY19.14 trillion at the end of 2016, according to the People's Bank of China (PBOC). "Just like investors, who won't put all their eggs in one basket, banks are also trying to diversify their asset structure and seek more profitable businesses as the growth of mortgage loans is set to decline amid housing curbs in more cities," said Chen Ji, Senior Researcher at Bank of Communications (BoCom). "Banks are seeking more options, which also includes using housing as collateral for business loans for small business owners for higher margins." Signs of the slow down are already apparent. Middle- and long-term household loans, which are mainly mortgages, rose CNY450.3 billion in March, a slower pace than the monthly average of CNY473 billion last year, when such household loans accounted for 45% of newly extended loans in the country. Yet, the strong growth seen in 2016 is unsustainable this year, said Yang Yue, Analyst at China Zheshang Bank, the South China Morning Post reports.

- Chinese banks will face pressure to keep their growth in 2017 amid tighter rules on their off-balance sheet activities, PricewaterhouseCoopers (PwC) said. The China Banking Regulatory Commission (CBRC) has been targeting shadow banking products and lending between financial institutions in the interbank market. Small and medium-sized banks, which rely heavily on off-balance sheet wealth management products (WMPs) and interbank business, will be hardest hit from the crackdown, PwC said.
- The World Bank Group and the China-led Asian Infrastructure Investment Bank (AIIB) signed an agreement during the 2017 IMF/World Bank annual spring meeting in Washington to strengthen cooperation and knowledge sharing between the two multilateral financial institutions. They have already co-financed five projects.
- The net profits of the 27 listed banks in 2016 totaled CNY1.32 trillion, increasing 3.2% year-on-year, according to PricewaterhouseCoopers (PwC). Their NPL ratio increased to an average of 1.67% at the year end. The NPL balance was up 16.8% year-on-year to reach CNY1.15 trillion.
- The number of corruption suspects fleeing China in the last four years has fallen dramatically as the government stepped up controls, including on the issuance of passports for officials. In 2014, 101 officials fled abroad, in 2015 the number fell to 31, while last year only 19 escaped, the Central Commission for Discipline Inspection (CCDI) said.
- People's Bank of China Deputy Governor Yi Gang has given assurances on currency convertibility and easier access to China's financial markets, while Chinese Ambassador to the U.S. Cui Tiankai warned the U.S. not to carry through on threats to erect trade barriers. Yi said that China would prioritize improving the convertibility of the yuan after it succeeded in cutting capital outflows and reducing over-leveraging in its domestic corporate sector.
- State-owned enterprises (SOEs) saw their profit growth slow in March as net earnings in the electricity industry declined, the Ministry of Finance said. The SOEs made combined profits of CNY587.31 billion in the first quarter, up 37.3% from the same period a year earlier. Profits for centrally-owned SOEs soared 247.1% year-on-year in the first three months, while those owned by local governments rose 74.3% in the period.
- A commentary in the People's Daily criticized U.S. President Donald Trump's new tax cut plan, accusing him of inciting a "tax war". The cuts, if approved by the U.S. Congress, would "wreak chaos in the international taxation order", it said. The Trump administration proposed cutting the corporate tax rate to 15% from 35% and streamlining individual tax brackets. The plan offers a one-time tax break on corporate profits brought back to the U.S. from overseas, which incentivizes American businesses to bring their offshore operations back home. The tax break would add to the pressure on China's capital outflow.
- Minority shareholders of CITIC have urged Hong Kong's Securities and Futures Commission (SFC) to appeal against a ruling by the Market Misconduct Tribunal that cleared former Chairman Larry Yung and four other ex-directors of misconduct and of

providing misleading information to the investing public over massive losses from wrong-way foreign-currency bets in 2008.

- Anbang Insurance Group has denied a rumor that Chairman Wu Xiaohui has been detained by authorities in Beijing. Analysts note that bank managers and executives sometimes suddenly disappear, while later it turns out they have been put under investigation, and sometimes they have been assisting an investigation into another corruption suspect. Wu recently divorced Zhuo Ran, a granddaughter of Deng Xiaoping. Financial magazine Caixin said Anbang had violated regulations and lacked transparency, and its shareholder structure could be traced to 86 individuals. Anbang is suing Caixin for defamation.

## FOREIGN INVESTMENT

### Chinese investment in the U.S. triples in 2016 from 2015

Chinese investment in the United States in 2016 more than tripled from 2015 to USD46 billion, with Chinese companies adding 1,300 new operations. They now employ over 140,000 people in the U.S., with companies increasing their presence in the South and Midwest “significantly”, according to ‘New Neighbors: 2017 Update’, a report on Chinese investment in U.S. congressional districts by the National Committee on U.S.-China Relations and the Rhodium Group. Chinese investment flowed for the first time into 63 congressional districts last year to reach all but 10 of the nation’s 435 districts. “The data overwhelmingly suggests Chinese investment in the United States is complementary to the current administration’s focus on creating and protecting American jobs,” Committee President Stephen Orlins wrote in the report. “There is ample room for additional growth, if leaders on both sides can navigate the regulatory hurdles and political barriers between the world’s two largest markets.” New York City’s 12<sup>th</sup> congressional district was the top recipient of Chinese FDI from 2000 to 2016, at USD8.66 billion. Rounding out the top five recipient districts were Chicago (USD3.8 billion); Raleigh, North Carolina (USD3.6 billion); Louisville, Kentucky (USD3.3 billion); and San Francisco (USD3.16 billion). The most jobs generated by a single Chinese investment in 2016 (6,020) were in Louisville, where Haier acquired GE Appliances for USD5.6 billion. Mergers and acquisitions (M&As) accounted for 96% of the total. In 2016, Chinese companies made 178 individual investments, increasing the total number of Chinese-owned businesses to 3,200 from 1,900 in 2015. The report found that Chinese investment in high-tech and innovation-intensive industries has grown rapidly in the last three years, increasing from USD2 billion in 2005 to roughly USD12 billion last year, the China Daily reports.

- Foreign direct investment (FDI) into Shanghai accounts for 15% of the national total, but it has declined year-on-year for three consecutive months this year, the first time in 17 years. Foreign-invested companies contributed a third of the city’s GDP as well as two-thirds of foreign trade and a third of tax revenue last year. A survey of 15,200 foreign-invested companies in the city showed that their profits jumped 12.3% year-on-year in 2016 while revenue rose 5.5%.

## FOREIGN TRADE

### China proposes tightening rules on imposing anti-dumping tariffs

China has proposed tightening the rules for imposing anti-dumping and anti-subsidy tariffs, saying their use was rising and that such charges were often misused, and distorted international trade. China said it wanted to stop anti-dumping measures from “over-reaching” and becoming permanent, giving special consideration to small- and medium-sized firms, and imposing tougher standards for the use of such tariffs. The five-page proposal to the World Trade Organization (WTO) is unlikely to get the required unanimous support of the body’s 164 members, and may be flatly rejected by the United States, where Commerce Secretary Wilbur Ross has been a fierce critic of China’s trade practices. China is under fire at the WTO for fishing subsidies. China is accused of unfairly subsidizing a huge and far-flung fishing fleet and, together with India and Russia, has sought to link the WTO negotiations on fishing to a wider reform of the rules on using tariffs to counter unfair trade practices. Beyond fisheries, the United States has submitted a 584-page document to the WTO, spelling out many of the economic programs that Washington says China should have notified to the organization.

- China's crude steel output grew 4.6% year-on-year to 201.1 million tons in the first quarter of 2017, while steel exports fell 25% year-on-year to 20.73 million tons, the China Iron and Steel Association (CISA) said. Steel exports to the United States plunged 51.76% annually in 2016 to 1.17 million tons, accounting for only 1.08% of China's total steel exports.
- China's trade with economies along the Belt and Road Initiative posted double-digit growth year-on-year in the first quarter of the year, the Ministry of Commerce (MOFCOM) said. Trade in goods grew 26.2% in the first three months from the same period of last year. China's exports to these countries and regions rose by 15.8%, and imports grew by 42.9%. China's non-financial outbound direct investment (ODI) in 43 economies in the Belt and Road regions reached USD2.95 billion, accounting for 14.4% of the country's total.
- China's foreign service trade deficit continued to grow in March to CNY152.3 billion, up from USD17.6 billion in February. In contrast to the deficit in service trade, China's foreign goods trade ran a surplus of USD30.6 billion in March, compared with a deficit of USD4.8 billion in goods trade in February. China's total foreign service and goods trade had a surplus of CNY58.3 billion in March.
- Ministry of Commerce Spokesman Sun Jiwen urged U.S. authorities to abide by World Trade Organization (WTO) rules in its investigation of aluminum foil imports. The U.S. Department of Commerce began an investigation after the Aluminum Association Trade Enforcement Working Group accused Chinese aluminum foil producers of using improper subsidies and selling at unfair prices.

## IPR PROTECTION

### 190,000 illegal publications destroyed in Shanghai

A total of 190,000 illegal publications – including pirated books, software and audio and video products – were destroyed to mark World Intellectual Property Day, and as part of an effort to combat counterfeit publications and protect intellectual property rights, the Shanghai Press and Publication Bureau said. The event, which took place at Huangpu District's Teenagers Technology Center, is part of a national campaign held by China's "combat pornography and illegal publications" office. In the first three months this year, the city seized 277,000 illegal publications and pursued 19 cases of infringement of intellectual property.

- China's intellectual property authority is making an effort to shorten the review time for patent applications. "Last year, the average review time for a patent application in China was reduced to about 22 months, faster than the United States and the European Patent Office, and slightly slower than Japan and South Korea," said Shen Changyu, Director of the State Intellectual Property Office (SIPO).
- The 2016 Annual Report of Copyright Protection on the Internet in China was released at the National Conference on Copyright Protection in the Digital Environment in Beijing. With improvements in the IP environment and the convenience of online payment, "users are more willing to pay for digital content, and did so last year", said Liu Duo, Director of the China Academy of Information and Communication Technology. In 2016, users spent CNY212.3 billion on digital content online, a year-on-year increase of 28%.

## MACRO-ECONOMY

### PMI retreats in April

The manufacturing purchasing managers index (PMI) fell to 51.2 in April from an almost five-year high of 51.8 in March. The non-manufacturing PMI dropped to a six-month low of 54 from 55.1 last month. But both gauges still show momentum, as numbers higher than 50 indicate improving conditions. The economic indicator may be poised to decelerate this year after unexpectedly picking up to 6.9% in the first quarter, the first back-to-back acceleration in two years. The factory and services gauges remain at relatively robust levels, but April data showed broad-based weakening across employment, output, new orders and export orders. While analysts have upgraded their forecasts for growth this year, according to a Bloomberg

survey, tighter property curbs in major cities and a higher base of producer prices than last year are likely to weigh on output in coming months. “The weakness is across the board” and pointed to slowing growth momentum, Commerzbank Economist Zhou Hao wrote in a note. “This on one hand reflects that there is little improvement in underlying demand; on the other hand, the de-leveraging effort by the Chinese authorities has started to work. In general, China is in the course of monetary tightening and regulation strengthening.” Tom Orlik, Chief Asia Economist at Bloomberg Intelligence in Beijing, said the initial signs for April added to the case that China’s growth may be close to a peak for the year, the South China Morning Post reports.

- China removed 29 steel plants from a “normal list” and urged 40 others to cut pollution and upgrade equipment to help cut overcapacity and enhance the industry’s competitiveness, said the Ministry of Industry and Information Technology (MIIT). Most of the 29 companies were considered inefficient, engaged in illegal production or were heavily debt-laden. The Ministry listed 304 steel companies as “normal” between 2013 and 2015.
- China should “unswervingly press on with the strategic adjustment of its economic structure” while ensuring “systematic financial risks do not occur”, the Political Bureau of the Chinese Communist Party said in a statement. The country also should accelerate its establishment of a long-term mechanism to promote the stable development of the real estate sector. China still faces many challenges in maintaining stable growth, and “economic restructuring remains a long-term, arduous task”, it added.
- Finance Minister Xiao Jie said an increasing number of positive signs were seen in the Chinese economy in the first quarter gross domestic product (GDP) report. Beijing was confident of reaching the government’s 6.5% GDP growth target this year, Xiao said. Separately, People’s Bank of China Adviser Sheng Songcheng said the improving economy had been matched by a stable yuan, with signs that capital was starting to return to China.
- More than 3.59 million new market entities were registered in the first quarter of this year, an increase of 19.5% compared with the same period last year, according to the State Administration for Industry and Commerce (SAIC), including 1.25 million new enterprises, up by 18%.
- The Xiongan New Area in Hebei province, which will soon start construction, is calling for worldwide competitive bids for the planning and design of the area’s first phase, which will cover 30 square kilometers. The work of land requisition is about to begin, followed by residential demolition and the resettlement of villagers.
- Industrial output increased by 6.8% in the first quarter, 1 percentage point faster than in the same period of last year. In March, industrial output increased by 7.6% year-on-year, clearly showing a strong momentum for the whole industry.
- China’s migrant work force is getting older and more reluctant to work far from home. The average age of the migrant workforce is now 39, with the number of those who leave their hometowns for work in the cities falling 1.1% last year, according to the National Bureau of Statistics’ annual survey of migrant workers. The size of China’s migrant workforce grew 1.5% to 281.71 million at the end of last year. Workers’ average monthly salary was CNY3,275.
- China’s GDP growth is expected to reach 6.6% this year, dipping 0.1 percentage point year-on-year, and it will stay within a stable and reasonable growth range, according to a forecast by the Chinese Academy of Social Sciences (CASS). GDP growth hit 6.9% in the first quarter of 2017, and it is forecast to hit 6.7%, 6.6% and 6.5% in the following three quarters, respectively.
- Profits earned by China’s industrial firms rose 23.8% in March to CNY688.7 billion from a year earlier, buoyed by a continued construction boom, though the pace of growth eased from previous months. In the first quarter, industrial profits climbed 28.3% to CNY1.7 trillion, slowing from growth of 31.5% in the first two months.

## MERGERS & ACQUISITIONS

### Yili scraps planned take-over of China Shengmu Organic Milk

Inner Mongolia Yili Industrial Group has scrapped a CNY4.6 billion takeover of Hong Kong-listed China Shengmu Organic Milk because it failed to get regulatory approval. Shanghai-listed Yili, China's leading milk producer, also said it would not proceed with its plan to raise up to CNY9 billion in a private placement to finance the deal after the offer collapsed. In October Yili, via a subsidiary company, announced plans to purchase a 37% stake in Shengmu, the largest producer of hormone-free dairy products in China which meet the European standards for organic milk. The takeover offer was made when there was keen competition among Chinese milk producers to capture more of the premium market segment amid a shift to high end products and more healthy food by the rising Chinese middle class. The deal needed approval from Beijing's Anti-Monopoly Bureau in order to proceed by the deadline of April 21. Shengmu said the collapse of the deal would not have a negative impact on its business. According to Euromonitor International, Yili is China's largest dairy producer by retail sales with a 22.3% market share, followed by China Mengniu Dairy (17.3%) and Hebei Yangyuan Zhihui Beverage (5.2%), while Shengmu has a 0.7% share.

- China Petroleum & Chemical (Sinopec) has agreed to pay USD1.68 billion to BP for the latter's 50% stake in petrochemical joint venture Shanghai Secco Petrochemical. Sinopec also approved a plan to separately list its fuel marketing business on an overseas stock exchange. Secco, a base chemicals maker whose USD2.7 billion plant started commercial operation in 2005, booked a net profit of CNY3.8 billion last year.

## REAL ESTATE

### Hong Kong to become favored destination for mainland real estate investments

Hong Kong is likely to surpass New York City as the top destination for mainland real estate investments this year, backed by a record-high level of transactions in the first quarter, says Colliers International. Total transactions of mainland investments in Hong Kong real estate in the first three months of 2017 surged 213% to HKD36.1 billion, compared with the year-earlier period. Last year, China's real estate investments in Hong Kong totaled more than HKD41.2 billion dollars, trailing behind New York City's recorded HKD44.4 billion. Sydney and London were ranked third and fourth most popular destinations for Chinese real estate investments in 2016. While Sydney saw an increase in investments to HKD28.3 billion from China last year, Chinese investments into London dipped to about HKD13.7 billion. Brexit had played a role in diverting Chinese investments out of the UK, and some of that capital flew into Hong Kong. Daniel Shih, Director of Research, said, "PRC investors have been actively looking for trophy assets and en bloc office sales, with the top seven en bloc trades accounting for 82% of the total transaction volume between January 2012 and March 2017."

- Shanghai-based Greenland Holdings, China's fourth-largest developer by sales, reported a 19% profit growth for the first quarter of this year to CNY2.7 billion on revenue of CNY58.8 billion, which was 20% higher than the year-earlier figure. Greenland's property businesses generated quarterly sales of CNY31.6 billion, accounting for 53.7% of its total CNY58.8 billion revenue. For the full year of 2016, its profit increased 5% from a year earlier to CNY7.2 billion. The developer took drastic steps in diversifying into finance and consumer sectors last year.
- Evergrande, China's largest homebuilder, spent CNY6.3 billion to buy 5.3% of its shares over the past four weeks, during which time the stock rallied by 40%. The move was designed to ensure a high valuation for the backdoor listing of its property assets in Shenzhen. However, the market now believes the buyback is reaching the minimum float limit and the stock has been dropping. JP Morgan estimates Evergrande has a public float requirement of 22.04% which means the developer can only buy back another 4.2 million shares.
- Shanghai is set to surpass Hong Kong as the largest office market in China when 11 million square meters of Grade A space will be available by 2020, real estate service provider JLL said. Around 1.1 million sq m of prime office space are expected to be available in Shanghai's central business district by then. An additional 3.3 million sq m

of office developments will be completed in the decentralized Pudong, Hongkou and Minhang sub-markets.

## RETAIL

### Online retail sales increase 32% in first quarter

China's online retail sales posted robust growth in the first quarter of the year, reaching over CNY1.4 trillion, up 32.1% year-on-year and more than double the pace of total retail sales, the Ministry of Commerce (MOFCOM) said. Sales of travel and take-away food rose by 64% and 163%, respectively. According to research firm Mintel, the online cross-border shopping market is expected to post an annual growth rate of 15% from 2016 to reach CNY1.3 trillion by 2021.

## STOCK MARKETS

### Hong Kong considering to allow dual-class shares on third board

Hong Kong is moving closer to allowing companies with a dual-class share structure to list on the stock exchange after the Securities and Futures Commission (SFC) backed plans for a public consultation on creating a third board aimed at technology start-ups and 'new economy' firms, which would for the first time permit dual-share listings. The long-standing ban in Hong Kong is widely seen as a barrier to potentially lucrative initial public offerings (IPOs), particularly by technology firms. Many global internet firms, such as Google, trade their shares using a dual-class structure, which is permitted in the United States. It is favored by many start-ups because their founders often hold only small stakes but want to keep control. Many observers believe Hong Kong's stock exchange has missed out on billions in annual listing and trading fees due to its refusal to allow such listings on the grounds that they would violate the long-held principle of "one share, one vote". Alibaba Group opted to list in New York rather than Hong Kong in 2014 after the SFC refused its request to allow what it considered a dual-class structure. Market players have mixed views on the issue, with listed firms and investment bankers preferring a dual-share structure while fund managers generally oppose it as they believe it is not fair to all investors, the South China Morning Post reports.

- Charles Li, Chief Executive of Hong Kong Exchanges & Clearing (HKEx) had his 2016 bonus cut by a quarter because of lower turnover in the city's stock market. He received a performance bonus of HKD11.25 million for 2016. The former JPMorgan banker, however, still took home a total of HKD44 million last year, down only 2.6% from 2015. The Hong Kong stock exchange reported a worse-than-expected 27% drop in 2016 annual profit to HKD5.77 billion. Hong Kong saw USD39.4 billion raised on its bourse last year, 57% less than in 2015, even as the city remained the world's largest market for initial public offerings (IPOs) for the second year.
- The Shanghai Composite Index (SCI) fell 2.1% in April, its worst monthly performance for this year, as strengthened regulatory supervision dampened investor appetite for trading in equities. As the China Securities Regulatory Commission (CSRC) increased its oversight of the market to guard against stock manipulation, the China Banking Regulatory Commission (CBRC) also issued at least seven documents aimed at reducing commercial lenders' leverage. "This is just the start for regulatory reforms and near-term uncertainties will increase as the rules are being rewritten," said Hong Hao, Managing Director at Bocom International.

## TRAVEL

### Home-sharing firm Xiaozhu to target business travelers

Home-sharing start-up Xiaozhu, often dubbed "China's Airbnb", is looking at business travelers to boost the company's growth in China's short-term home-rental market. "Over 15% of our bookings are for business travel purposes," Xiaozhu Chief Executive Kelvin Chen Chi said. "Sometimes employees need to stay in a city for two to three months to work on a project, and it's not cost-effective to stay at a hotel. We want to fill this gap in the market that hotels cannot meet," he said. Eligible homes need to be within 10 minutes by foot to public transport, offer

24-hour check-in, provide official invoices, guarantee a refund in case of hygiene-related complaints, as well as come equipped with office facilities such as a projector and a broadband internet connection, enabling employees to work from their temporary home. Xiaozhu already started rolling out its homes targeted at business travelers in about 20 cities, and is aiming to expand to more than 50 cities in China offering about 80,000 apartments by the end of the year. The company also hopes to sign deals with 5,000 companies this year, and is aiming to serve 100,000 business travelers. Xiaozhu is offering more services than Airbnb, such as helping hosts with renovation work, sourcing office facilities, and offering a cleaning service after guests have checked out. However, home-sharing start-ups are still operating in a grey area in China, as there are no official regulations, the South China Morning Post reports.

- Shanghai Tower has opened its sightseeing observatory on the 118<sup>th</sup> floor, with an admission fee of CNY180. The 546-meter-high observatory, named the “top of Shanghai,” covers over 1,000 square meters. The tower, which is 632 meters high and has 137 floors, is the world’s second tallest building.
- Didi Chuxing has closed a USD5.5 billion funding round to fund “its global strategy and artificial intelligence-based technologies”. The new round is likely to give the car hailing site a valuation of over USD50 billion, making it the world’s most valuable start-up after Uber.
- Collaboration to improve civil aviation between China and the European Union is advancing along with the growth of air travel, which reached some 8 million passenger trips last year, representing an annual increase of 15%. China has signed bilateral transportation agreements with 27 out of the 28 EU countries, with 15 of the nations already having launched direct flights to China. Every week, there are more than 600 flights between China and the EU,” according the Civil Aviation Administration of China (CAAC). 812 flights were made between China and the U.S. every week in the winter of 2016, up 20.8% from the summer of 2016.

## ONE-LINE NEWS

- China’s installed wind power capacity continued to grow in the first quarter of this year, according to the National Energy Administration (NEA). China had 151 million kilowatts of installed wind power capacity at the end of the first quarter, up 13% year-on-year.
- China’s push to convert coal into synthetic natural gas (SNG) could prevent tens of thousands of premature deaths a year, but possibly at the cost of emitting more greenhouse gases, a study published in the Proceedings of the National Academy of Sciences has found. SNG produces far fewer harmful pollutants, but the use of SNG would increase carbon emissions.
- The social networking app WeChat is now increasingly used for workplace communications, even replacing e-mails. The annual WeChat user behavior report by Penguin Intelligence, a Tencent research arm, found that 87.7% of WeChat users use the app for daily work communication. Phones, text messages and fax machines were used by 59.5%, and email by 22.6%.
- There are now more than 43,000 cinema screens in China, more than in the United States, and 3,179 screens opened during the first three months of 2017 – an average of 36 screens per day at a time when box office takings are falling. The value of ticket sales for the first quarter of 2017 was CNY13.5 billion, a drop of 7% compared with the same period in 2016.
- China Telecom reported a 4.5% jump in net profit to CNY5.35 billion for the first quarter of the year thanks to a steady increase in the number of 4G users and a rise in mobile service revenues. China Telecom’s mobile subscribers grew 3% to 222 million in the first quarter, of which over 62% are 4G subscribers.
- China is willing to spend as much money as needed in its fight against air pollution, Premier Li Keqiang said. At an executive meeting of the State Council, Li spoke about how finding a solution to smog had become an “urgent” matter for people’s health and the quality of their lives. The Ministry of Finance raised the budget for curbing air

pollution by 250% this year, to CNY40 million.

- A court in China jailed Ai Baojun, former Chairman of Baoshan Iron and Steel, who went on to become Vice Mayor of Shanghai, to 17 years for bribery and graft. He had used his positions to amass more than CNY40 million in assets from 2000 to 2014. Ai is the most senior official in Shanghai to be sentenced in the anti-corruption campaign.

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**Chairman:** Mr. Stefaan Vanhooren, President Agfa Graphics, Member of the Executive Committee of the Agfa Gevaert Group, NV THE AGFA-GEVAERT GROUP SA

#### **Vice-Chairmen:**

Mr. Bart De Smet, Chief Executive Officer, NV AGEAS SA

Mr. Philippe Van Der Donckt, Business Development Director, NV UMICORE SA

**Secretary and Treasurer:** Wim Eraly, Senior General Manager, NV KBC Bank SA

**Executive Director:** Ms. Gwenn Sonck

**Members of the Board of Directors and Founding Members:**

Mr. Stefaan Vanhooren, President Agfa Graphics, Member of the Executive Committee of the Agfa Gevaert Group, NV THE AGFA-GEVAERT GROUP SA  
Mr. Christian Leysen, Executive Chairman, NV AHLERS SA  
Mr. Filip Pintelon, Senior Vice President, GM Healthcare, NV BARCO SA  
Mr. Philip Eyskens, Senior Vice President Legal, IT and M&A, NV BEKAERT SA  
Mr. Philip Hermans, General Manager, NV DEME SA  
Mr. Bart De Smet, Chief Executive Officer, NV AGEAS SA  
Mr. Wim Eraly, Senior General Manager, KBC Bank SA  
Mr. Johan Verstraete, Vice-President Marketing, Sales & Services Weaving Solutions, NV PICANOL SA  
Mr. Philippe Van der Donckt, Business Development Director, NV UMICORE SA

**Membership rates for 2017 (excl. VAT):**

- SMEs: €385
- Large enterprises: €975

**Contact:**

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To send your input for publication in a future newsletter mail to: [info@flanders-china.be](mailto:info@flanders-china.be)

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