



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

NEWSLETTER | 15 MAY 2017

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FCCC/EUCBA ACTIVITIES

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

08:45 – 09:00 Registration
 09:00 – 09:15 Introduction by Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce
 09:15 – 10:25 Win in China: Formulas and Business Models
 11:40 – 12:10 Chinese Consumer Behaviour and Digital Marketing in China
 12:10 – 13:10 Networking Lunch
 13:10 – 14:40 Cross-Cultural Management under Chinese Context
 14:55 – 16:25 Negotiation with the Chinese
 16:30 – 17:00 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 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

Gwenn Sonck, Flanders-China Chamber of Commerce: 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
- Bernard Vanhecke, Global VP Talent Management and Learning, 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
- **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

REGISTRATION

If you wish to participate in this event, please register via the following link; 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 12th 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 19th political summit in Brussels. As is customary, BusinessEurope and the China Council for the Promotion of International Trade (CCPIT) will organise the 12th 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 topic of this business summit is:

“Strengthening the Pillars of Global Trade and Investment”

The purpose 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 speeches by **Premier Li Keqiang** and **President Jean-Claude Juncker**. EU Trade Commissioner Cecilia Malmstrom, Commissioner for Climate Action Miguel Arias Canete and Chinese Minister of Commerce Mr Zhong Shan (tbc). There will also be three thematic sessions on the digital economy, climate & sustainability, and EU-China connectivity.

All details on the programme, speakers, participation and how to register are available on the website: 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.

In case of interest in sponsoring, please contact m.fermont@business europe.eu with 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

Mr. Yu Biao yubiao@ccpit.org

Ms. Guan Cong 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**, 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).

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 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 19th 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

Contacts:

Tel: 0032-2405 6663 ; 0032-2405 6691

Email: sme.be@bankofchina.com

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: 16th to 19th, 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

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 11th 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

Qingdao SME Procurement at Home and Abroad and Investment Cooperation Negotiation Meeting – 23 June 2017 – Qingdao

The Qingdao SME Procurement at Home and Abroad and Investment Cooperation Negotiation Meeting will be held on 23 June 2017 in Qingdao, Shandong province.

More information is available [here](#).

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
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.

If you are interested in advertising or sponsoring or need more information, please send an e-mail to: gwenn.sonck@flanders-china.be

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.

ADVERTISEMENT

Hainan Airlines, your direct link from Belgium to China



Hainan Airlines launched brand new Prime Wings Lounge located in Terminal 2, Beijing Capital International Airport. This flagship lounge of Hainan Airlines is able to accommodate 148 air passengers. Covering 726 square meters, it is home to more than 10 function areas, such as the tea area, lounge area, reading room, VIP room, sleeping area, bath room, audio and video area, etc. The brand new Prime Wings Lounge will provide passengers a space to rest and refresh in this extremely busy hub.

Designed by Dr. Liang Jinghua, a well-known architecture designer in Hong Kong, this ingenuity work is inspired by the natural harmony of Hainan Island. Facilitated with wood furniture and decoration of Oriental Style, and accompanied by the premium metal and stone

material, this lounge marks the wisdom of both modern western and classical oriental aesthetics. With power and texture in elegance, it further presents the oriental beauty in a creative way. [READ MORE](#)

Special offers from ONLY €450

Hainan Airlines ' promotion return fare from Brussels to China main cities: Beijing, Shanghai, Guangzhou, Shenzhen, Hangzhou, Ningbo, Xiamen, Fuzhou, Chengdu, etc starts from only **€450**.

Terms and Conditions:

1. Fares shown includes taxes and fuel surcharges. (Route origin PEK is not available).
2. Ticketing Date: 30.04.2017-31.08.2017
3. Travel Dates: 30.04.2017-31.08.2017
4. Fare is subject to seat availability.
5. Special fare restrictions may apply.

[More details](#)



Summer Adventure

A premium, seamless travel experience

Starting with our brand new Beijing Airport Lounge and up to 10% off on all Business Class tickets

Enjoy a premium, seamless travel experience with Hainan Airlines with upgraded travel services ranging from priority check-in and boarding to exclusive onboard catering provided by Michelin star Chefs. In addition, we have recently completed high-end renovations on our premium HNA Club Lounge at Beijing Capital Airport and are welcoming all Business Class Passengers to enjoy our new luxury lounge space.

From May 16th and May 23th, passengers can enjoy an 8% discount when booking Business Class tickets on this page. Fortune Wings Club members can enjoy a 10% discount. This offer applies to all Hainan Airlines operated flight routes, including Shanghai, Tokyo, Bangkok and many, many more!

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BELT AND ROAD FORUM

Belt and Road Initiative in line with interest of all countries, says President Xi

The two-day Belt and Road Forum for International Cooperation was held in Beijing on May 14 and 15, attended by representatives of more than 100 countries and regions, including the heads of state or government of 29 countries, and the heads of the United Nations, International Monetary Fund (IMF) and the World Bank. Vice Premier Kris Peeters represented Belgium at the Forum. Chinese President Xi Jinping said in his keynote speech that the Belt and Road Initiative was “in line with the interests of all countries” as he offered at least CNY780 billion in extra funding for the ambitious plan.

He called for international cooperation to fund the projects and to combat protectionism along the new Silk Road routes. China’s Silk Road Fund would increase funding by CNY100 billion, Chinese banks would extend CNY300 billion in overseas capital, and the China Development Bank and Export and Import Bank of China would add CNY250 billion and CNY130 billion respectively in special loans to Belt and Road projects. President Xi said the Belt and Road Initiative was a right step in moving towards a future of “happiness, peace and harmony”. The idea was “not to open a new kitchen”, but to seek to strategically connect existing plans, including those of Russia, Turkey, Mongolia and Vietnam, the Chinese President said. The Belt and Road plan “would not repeat the old way of geopolitical games, but would seek cooperative win-win”, he added.

President Xi said the new Silk Road would be open to all, including Africa and the Americas, which are not on the traditional trading route. The Belt and Road Initiative – a plan Xi unveiled in 2013 to build infrastructure and expand trade across countries in Asia, Africa and Europe – has been welcomed by cash-starved emerging countries. Those countries are home to 60% of the world’s population and need more than USD26 trillion of infrastructure investment by 2030, according to Asian Development Bank (ADB) estimates.

Attending the Forum were Russian President Vladimir Putin; European Commission Vice President Jyrki Katainen; Philippine President Rodrigo Duterte; Turkey’s President Recep Tayyip Erdogan; Pakistani Prime Minister Nawaz Sharif; Spanish Prime Minister Mariano Rajoy; Greek Prime Minister Alexis Tsipras; and Vietnamese President Tran Dai Quang. Myanmar’s State Counsellor Aung San Suu Kyi also attended the Forum. North and South Korea were both represented, and their delegations held a brief meeting. The United States’ delegation was led by Matt Pottinger, Special Assistant to U.S. President Donald Trump and Senior Director for East Asia at the National Security Council (NSC). India, on the other hand, was represented only by local embassy staff and academics, reflecting New Delhi’s unease

about the initiative. Leaders of only five of the EU's 28 member states attended the Forum.

Jonathan Hillman, Director of the Reconnecting Asia Project at the Center for Strategic and International Studies, said the initiative was a double-edged sword. "It is broad and ambitious, but the practical implementation is very difficult, to get a lot of different countries to agree on anything that is game-changing".

Highlights of President Xi Jinping's keynote speech

Following are some of the highlights of Chinese President Xi Jinping's keynote speech at the Forum on May 14.

"We will build an open platform, defend and develop an open world economy, jointly create an environment good for opening-up and development, and push for a just, reasonable and transparent international trade and investment system so that production materials can circulate in an orderly way, be allocated with high efficiency, and markets are deeply integrated."

"We will not interfere in other countries' internal affairs. We will not export our system of society and development model, and even more, will not impose our views on others. In advancing the Belt and Road, we will not re-tread the old path of games between foes. Instead we will create a new model of cooperation and mutual benefit."

"We are living in a world with constant challenges: The world economy needs new growth drivers, its development needs to be more balanced and universal, the wealth gap should be narrowed, while some regions are plagued with turbulence and terrorism. Peace, development and governance are challenges for all human beings. This is what I keep thinking about."

"History is the best teacher. History showed us that we can move along with mutual respect and development and towards the future of happiness, peace and harmony if we bravely walk the first step. The countries along the ancient Silk Road were once places with milk and honey, but now are full of turbulence, conflicts and crisis. Such conditions must be addressed. We must have mutual cooperation and a sustainable security outlook, try to tackle hot issues and insist on political resolution."

"A country's opening-up is like the creation of butterfly from cocoon. It brings rebirth with short-term pain. We must orient the construction of the Belt and Road Initiative on opening-up and try to solve problems concerning economic growth and balance."

"No matter if they are from Asia and Europe, or Africa or the Americas, they are all cooperative partners in building the Belt and Road."

Parts of President Xi Jinping's speech as reported by the South China Morning Post.

Key projects in the Belt and Road Initiative

China's "Belt and Road" plan comprises a belt of overland corridors and sea routes connecting Asia, Africa and Europe through building infrastructure and boosting financial and trade ties for 64 countries. The "Belt and Road Initiative" aims to open up trade via two corridors: the land-based Silk Road economic belt in the north, and the maritime Silk Road in the south.

They key projects of the Belt and Road Initiative are:

- China to London rail link: The first freight train completed its 12,000 km, 18-day journey from London in Britain to Yiwu in Zhejiang province last month.
- China-Pakistan Economic Corridor: The USD57 billion corridor to connect China's western provinces to the sea via Pakistan's Gwadar port is the biggest project under the belt and road banner. It includes various projects such as the China-Pakistan highway, railways, pipelines and power lines.
- Central Asia-China gas pipeline: Stretching from Turkmenistan to Xinjiang, the 3,666 km pipeline was built before the new Silk Road project, but forms the backbone of infrastructure links between the two countries. The pipeline is Chinese-built and cost USD7.3 billion.

- Tehran-China rail link: The first freight train from China arrived in Tehran, Iran, last year, making the 10,400km journey in 14 days. Tehran hopes the rail services will turn the country into a major Eurasian trade hub.
- Khorgos gateway: China has plans to turn Khorgos in Xinjiang, on the border with Kazakhstan, into a major trade hub to link China with neighboring Kazakhstan, and on to East Asia and Europe. Jiangsu province has agreed to plough more than USD600 million to help build logistics and industrial zones around Khorgos.
- Sino-Thai high-speed rail line: Stretching 837 km from southern China, through Laos, to Thailand's east coast, construction of the section between Bangkok and Nakhon Ratchasima in Thailand has been delayed. The link is part of a plan to connect China to Southeast Asia through high-speed rail.
- Colombo port project: A USD1.1 billion investment in Sri Lanka's Colombo port has been delayed by legal and political obstacles. China is also building the Colombo Port City, Colombo's new central business district (CBD), with an initial investment of USD1.4 billion. It is expected to be completed by 2030.

China has so far signed 46 cooperation agreements with 39 countries and regions to implement the initiative. By the end of last year, Chinese enterprises had constructed 56 trade and economic cooperation zones in more than 20 countries along the Belt and Road routes, invested USD18.5 billion, generated nearly USD1.1 billion in tax revenue for local governments, and created more than 180,000 jobs for local people. China will continue to push forward free trade agreement talks with more than 20 economies along the Belt and Road Initiative this year after already clinching 11 such deals in the region. An FTA with Georgia was signed during the Forum, and an FTA feasibility study with Mongolia was launched. China will also explore FTA feasibility studies with Nepal, Bangladesh and Moldova this year.

China's trade value with countries and regions along the trading routes reached more than CNY20 trillion between 2014 and 2016. Chinese companies made USD50 billion outbound direct investment in non-financial sectors and signed project contracts worth USD304.9 billion during the period.

- China is urgently seeking support from international lenders to close a yawning financing gap for projects under its "Belt and Road Initiative", Yi Gang, Vice Governor of the People's Bank of China (PBOC) said. Support from the global market was "desperately needed", Yi added. The Asian Development Bank (ADB) says there is a USD26 trillion funding gap in the infrastructure projects that will be required in Asia by 2030. "Most projects are financed by Chinese financial institutions, while participation of international institutions is relatively limited," Pan Guangwei, Vice Chairman of the China Banking Association, said.
- To increase the appeal of the Belt and Road Initiative, Beijing should explain its intentions, publish a list of projects and introduce some profitable pilot schemes to lure initial investors to get onboard, Zhao Xijun, Finance Professor at Renmin University in Beijing, said.
- China plans to import USD2 trillion of products from countries participating in the Belt and Road Initiative over the next five years, Commerce Minister Zhong Shan said.
- The presence of Chinese banks in the 64 countries along the route is still limited: nine Chinese banks had set up 62 branches in 26 countries by the end of 2016.
- Matt Pottinger, U.S. National Security Council Senior Director for East Asia, said the U.S. Embassy in Beijing and U.S. companies had teamed up to form the American Belt and Road Working Group. "U.S. firms have a long and successful track record in global infrastructure development, and are ready to participate in Belt and Road projects," Pottinger said, adding that the project's success would rest on several factors, including transparency in procurement and broad participation from the private sector.

AUTOMOTIVE

Disappointing growth in passenger car market

China's passenger car market in April continued to show lackluster performance seen in the first quarter, further denting the confidence of automotive industry players. Sales of sedans, SUVs, MPVs and minivans totaled 1.69 million units in the month, a 1.% fall from the same month last year, statistics from the China Passenger Car Association (CPCA) showed. Sales so far this year totaled 7.27 million, a 1.4% dip year-on-year. The fall could have been steeper without SUVs, whose sales grew 17.2% in the same period. It was the only growing segment in the first four months of the year, while other segments fell, ranging from 8.1% to 32.3%. The poor sales have forced the Association to cut its estimate of the year's growth to 5% year-on-year from 6.5% at the end of last year. In contrast, the passenger car market in 2016 saw 18% growth year-on-year. "It is known to every one that the tax incentive is having its impact on the market. We had expected car sales to return to a reasonable level after the first quarter, but unfortunately they did not," Cui Dongshu, CPCA Secretary General said. He added that growing interest in the property market, especially in smaller cities, is one factor to blame for this. "Everyone believes house prices are rising and it is already a pattern that people buy houses before they buy cars." Yale Zhang, Managing Director of consulting firm Automotive Foresight, said some potential buyers may have wanted to see what automakers would offer at the Shanghai Auto Show before making a purchasing decision, the China Daily reports.

General Motors Co said sales of GM-brand vehicles by the company and its Chinese partners slipped 1.9% in April from a year earlier to 272,770. Deliveries of SUVs, minivans and luxury cars rose 14%. Ford Motor Co said sales grew 11% to almost 94,000, with sales of its luxury Lincoln brand nearly doubling to 4,500. Nissan's sales rose 9.5% to 105,324 vehicles. Toyota's sales grew 7.2% to 108,300 in China. BMW's sales, including Mini and Rolls-Royce brands, jumped 12.4% to 142,958.

FINANCE

Slower growth of shadow banking as regulations are tightened

China's shadow banking assets are estimated to have grown by 21% to CNY64.5 trillion in 2016, slowing from the 30% rise in 2015, as liquidity is tightened in the country's financial system, Moody's Investor Service said in a report. "The Chinese authorities recognize the risks in the shadow banking sector and are seeking to address them through new regulatory guidelines," said George Xu, Moody's Associate Analyst. "Preventing financial risks has become one of the government's top priorities this year." He added that China's shadow banking sector has more than doubled since 2012 and grew 21% to CNY64.5 trillion last year, a high level that triggered further government tightening. Shadow banking activities saw a surprising return in the first quarter, with a large increase in entrusted loans, trust loans and undisclosed banker's acceptances.

Alipay makes major move into North America

Alipay, China's biggest online payments platform, is stepping up its global expansion with a major foray into North America, taking on PayPal and ApplePay in their home market. Hangzhou-based Alipay has partnered with U.S. credit card processing service First Data Corp to support mobile payments at four million merchants and retailers in the U.S. and Canada. Meanwhile, rival Tencent Holdings has partnered with Citcon, a mobile payments start-up in California's Silicon Valley, to expand the use of its WeChat Pay platform to support Chinese tourists in the U.S. Alipay was first to collaborate with Citcon in February this year. First Data and Alipay initially cooperated last year, when the two companies successfully tested implementation of Alipay's mobile payment service in select high-end and specialty retail locations in California and New York. "These developments reflect the rise of Chinese finance platforms," said Paul Haswell, a partner at international law firm Pinsent Masons. "While their recent moves are aimed squarely at Chinese tourists, you can be sure that both Tencent and Alibaba have their sights set on offering payment and financial services, in general, to non-Chinese consumers in North America," Haswell said. Alipay has estimated that it has already more than 450 million active users.

- China's foreign exchange reserves rose for the third month in a row in April, staying above the psychologically important USD3 trillion mark and giving the leadership more room to pursue structural reform. The reserves grew by USD20 billion in April to USD3.03 trillion. Bank of Communications (BoCom) Analyst Liu Jian said a fall in the U.S. dollar and a more stable economy eased expectations of further falls in the yuan and slowed capital outflows.
- The China Insurance Regulatory Commission (CIRC) has decided to toughen supervision of the industry to guard against financial risks. Chinese insurers used leveraged money to buy shares in listed companies, triggering sharp volatility in the market at the end of last year. Insurance funds should not invest in risky products, and there will be tougher supervision over equity changes of insurers, the CIRC said.
- Danish bank Saxo said Chinese carmaker Geely, the owner of Volvo, would become its largest shareholder by buying around 30% of its capital. "Saxo Bank is a trusted trading platform with a strong reputation. We expect to deliver group synergies from the development of financial services both within Geely Group and the wider Chinese market," said Daniel Li, Geely's Chief Financial Officer (CFO). Saxo was founded as a brokerage called Midas in 1992 before getting a banking permit in 2001.
- Net profits of Chinese banks stood at CNY493.3 billion in the first three months, up 4.61% year-on-year, said the China Banking Regulatory Commission (CBRC). Their total assets grew 14.3% year-on-year to CNY238.5 trillion, indicating that the profitability of commercial lenders was waning. Chinese lenders' bad-loan ratio was almost flat at 1.74% at the end of March, said the CBRC. The banks' loan loss provisions reached CNY2.82 trillion, up CNY156 billion from the end of 2016.
- Many Chinese financial institutions should have been closed because their existence is only adding risks to the country's overall financial system, Xu Zhong, Research Director at the People's Bank of China (PBOC) said. Some problematic financial institutions, including regional ones, need to go bust, but vested interests from local governments prevented it, he added. "Not a single Chinese financial institution has gone bankrupt. Are China's financial institutions really so good that not even a single one has gone bust?", Xu asked in a speech at Peking University.
- The Asian Infrastructure Investment Bank (AIIB) has approved seven new members of the bank: Bahrain, Bolivia, Chile, Cyprus, Greece, Romania and Samoa, bringing the bank's total membership to 77 countries.

FOREIGN INVESTMENT

Tighter regulation for SOEs' overseas investment

Chinese authorities plan to introduce an improved, rigorous system of auditing overseas investment by state-owned enterprises (SOEs). If necessary, regulators will go overseas for on-site verification and evidence collection. The purpose is to counter irrational speculation, illegal transfer of assets, and fake transactions, which disrupt China's foreign exchange and financial markets. SOEs have invested in more than 150 countries and regions with over CNY5 trillion in overseas assets, but compared with foreign multinationals, Chinese SOEs lack experience in overseas operations and risk control. Chinese authorities have set stricter rules and advised companies to make their investment decisions more carefully. Since the beginning of 2017, the State-owned Assets Supervision and Administration Commission (SASAC) has introduced negative lists and designated investment redlines for both domestic and overseas investment by SOEs. "There is no doubt that a more comprehensive and stringent auditing system will help standardize China's overseas investment and contribute to maintaining and increasing the value of state-owned assets," said Li Jin, Chief Researcher at the China Enterprise Research Institute. China's outbound direct investment (ODI) plunged by 64% year-on-year to USD20.9 billion in the first quarter, mainly due to stricter oversight. Last year, China's ODI surged over 40% from a year earlier, the Shanghai Daily reports.

- Efforts are being made to resolve a stalled copper mining deal between China and Afghanistan, a decade after the USD3 billion contract was signed, according to Janan Mosazai, Afghanistan's Ambassador to China. Under the deal, MCC agreed to pay Afghanistan USD3 billion to lease the Mes Aynak mine, 40 km southeast of Kabul, which has Afghanistan's largest copper deposit, for 30 years.

- Foreign companies could get more involved into the Made in China 2025 strategy by setting up research and development (R&D) centers, talent training organizations and smart plants in the country, Li Dong, Director of the Industrial Equipment Department at the Ministry of Industry and Information Technology (MIIT) said. The Ministry has selected a group of foreign enterprises as model players to help build smart plants in China. German companies SAP and Siemens, and Japanese shipbuilder Kawasaki Heavy Industries are among them.

FOREIGN TRADE

Foreign trade grows slower than expected in April

China's foreign trade growth slowed more than expected in April amid weaker demand and a correction in commodity prices. Exports in yuan-denominated terms rose 14.3% year-on-year to CNY1.24 trillion, slower than the 22.3% increase in March, the General Administration of Customs said. Imports grew 18.6% to CNY979.1 billion, compared with the 26.3% gain in March. In U.S. dollar terms, exports rose 8%, missing market expectations of 11.3%, while imports grew 11.9%, compared with consensus for 18%. The slower growth in trade was attributed by analysts to a correction in commodity prices. "China's export growth in April was half the pace in March, indicating a softening momentum in the second quarter," the Australia and New Zealand Banking Group said in a note. China's imports of crude oil, iron ore and copper all fell compared with March. Despite the slowdown, imports year-to-date are still up 20.8% by value, compared with 8.1% growth for exports over the first four months, though analysts say imports could slow further this year. "Looking ahead, we expect export growth to hold up well given the relatively bright outlook for the global economy this year," Capital Economics China Economist Julian Evans-Pritchard said in a note. "Growth in inbound shipments will continue to face headwinds, however. In particular, policy tightening will further weigh on domestic demand in coming quarters." China's trade with the European Union, its largest trading partner, gained 15.5% year-on-year to CNY1.24 trillion during the first four months. Trade with the United States, its second-biggest trade partner, surged 20.3% to CNY1.18 trillion in the same period. China's Ministry of Commerce (MOFCOM) said in its quarterly report on trends in foreign trade, that China is set to face a better environment in 2017 compared with the past two years. The trade surplus for April was CNY262.3 billion, up 0.6% year-on-year.

China and the U.S. reach trade deal to boost American imports

The United States has reached a trade agreement with Beijing that will boost shipments of American liquefied natural gas (LNG), beef and other products, as well as improve market access of its financial services to China. The accord follows pledges by U.S. President Donald Trump and Chinese President Xi Jinping to address a USD350 billion trade imbalance in China's favor by coming up with concrete measures within 100 days of the two leaders' summit in Florida last month. U.S. Commerce Secretary Wilbur Ross hailed the agreement as "a herculean accomplishment" forged in record time. "This is more than has been done in the whole history of U.S.-China relations on trade," Ross told reporters at the White House. "Normally trade deals are denominated in multiple years, not tens of days." U.S. credit rating and electronic payment services, as well as bond underwriting, are now all allowed in the Chinese market. The U.S. would also allow American companies to ship LNG to China. Houston, Texas-based Cheniere Energy Partners is America's only major LNG producer, having completed a major LNG export terminal on Louisiana's Gulf Coast last year. The LNG export market is currently dominated by Australia, Qatar and Malaysia. Under this agreement, China will also accept beef imports from the U.S., effectively ending the 14-year ban on American beef after an outbreak of mad-cow disease in the U.S. in 2003. Reciprocally, the U.S. will allow Chinese cooked chicken into the American market. The agreement also gives the green light for U.S. biotechnological products to be exported to China, the South China Morning Post reports. However, the trade deal did not include America's information technology industry.

- China will extend anti-dumping duties on chloroprene rubber imported from Japan, the United States and the European Union for another five years. The Ministry of Commerce (MOFCOM) said anti-dumping duty rates for Japanese imports range from 10.2% to 43.9%, while those for U.S. producers are 151% and EU companies are

subject to rates ranging from 11% to 151%. Chloroprene rubber is mostly used to make electrical cables and waterproof products.

- The U.S. Senate has voted to confirm Robert Lighthizer to be the next U.S. Trade Representative. He was a partner at the law firm of Skadden, Arps, Slate, Meagher & Flom and served as deputy USTR under President Ronald Reagan. He is widely seen as a strong supporter of the U.S. steel industry which has often accused China of unfair trade practices.
- U.S. Commerce Secretary Wilbur Ross sees the U.S. semiconductor industry as still dominant globally but said he is worried that it will be threatened by China's planned investment to build up its own chip making industry. The Commerce Department is considering a national security review of semiconductors because of their "huge defense implications". China is planning massive state-directed investments in semiconductor manufacturing capacity under its "Made in China 2025" program, which aims to replace mostly imported semiconductors with domestic products.
- China's Ministry of Commerce questioned U.S. trade investigations into imports of steel products from six countries including China, describing the measures as "excessive." The U.S. Department of Commerce has decided to initiate anti-dumping investigations against cold-drawn steel mechanical tubing from China, Germany, India, Italy, South Korea and Switzerland. Products from China and India will also be subject to anti-subsidy investigations.
- The 1,000th freight train linking China and Europe this year left Yiwu station for Madrid on May 13. From January 1 to May 13, the number of Sino-European freight trains increased by 612, or 158%, from a year earlier, according to China Railway Corp.

MACRO-ECONOMY

China cutting excess steel capacity but production still high

China is serious about cutting millions of tons of excess steel capacity, but that will not mean lower production, particularly in the next few quarters, Eurofer President Geert Van Poelvoorde said. China pledged early last year to cut 150 million tons of excess capacity by 2020. Global steel prices have increased 45% since December 2015, but have slipped in recent weeks on concerns about a slowdown in construction and infrastructure projects. Steel output in China, which accounts for half of global steel production, rose 4.6% in the first quarter to 201.1 million tons, after a 1.2% increase to 808.4 million tons last year. China, which holds nearly half the world's 800 million tons of spare capacity, cut 65 million tons of capacity in 2016 and aims to cut another 50 million tons this year. Global steel capacity rose 1.4% in 2016 to 2.39 billion tons.

- Chinese Vice Premier Zhang Gaoli visited the Xiongan New Area and said the government should "plan well before taking action and make steady efforts in planning construction". The government announced the plan to set up the area on April 1. Zhang "stressed tight control of land, property development and neighboring regions as well as protecting historical and cultural heritage and the ecological environment". Covering three counties in Hebei province, the new area is to take over some functions from Beijing and integrate the economies of Hebei, Beijing and Tianjin.
- China's courier sector posted strong growth in 2016. The sector generated CNY397.4 billion in revenue last year, up 43.5% annually. A total of 31.28 billion deliveries were made last year, up 51.4% year-on-year, the China Postal Bureau said. Guangzhou was the city with the most express deliveries, followed by Shanghai, Shenzhen, Beijing and Hangzhou. The sector's revenue target for 2020 is set at CNY800 billion.
- China's factory gate prices eased more than expected in April, lowered by falling commodities prices, the National Bureau of Statistics (NBS) said. The producer price index (PPI) rose 6.4% in April compared with the same month a year earlier, lower than the market consensus of 6.7%. The index hit a peak of 7.8% growth in February, fueling concerns about deflation. The consumer price index (CPI) rose 1.2% in April, slightly higher than analysts' predictions of a 1.1% gain. The index rose 0.9% in March.
- A drastic consolidation of major power generating companies is a "must-do" that is in

line with massive efforts to cut overcapacity and lower greenhouse gas emissions, according to UBS. The Chinese authorities are attempting to create three energy giants through merging eight large-size companies. China Huadian Corp and China Guodian Corp could merge with China National Nuclear Corp; China Datang Corp is likely to be combined with China General Nuclear Power Corp; and China Huaneng Group may merge with State Power Investment Corp. Beijing has set a goal of limiting its coal-fired power generation capacity to 1,100 gigawatt (GW) by 2020, or 55% of the country's total power generating capacity.

- Hong Kong's economy grew at its fastest pace in six years in the first quarter. Gross domestic product (GDP) grew 4.3%. The expansion in the economy was boosted by the buoyant stock market, increased trade, a hot property sector, robust employment, and an encouraging global economic outlook, the government and experts said. The overall performance was well above the 3.7% average forecast by analysts. The growth is expected to continue into the second quarter.

MERGERS & ACQUISITIONS

Sharp drop in M&As in technology sector

Mergers and acquisitions (M&As) in China's technology sector saw a year-on-year decline of 12.9% in the past four months, despite the massive USD5.5 billion funding round by Didi Chuxing, according to Mergermarket. "The value of technology deals reached USD19.9 billion across 65 transactions from January to April, down from USD22.8 billion in 73 deals recorded in the same period last year," Mergermarket Financial Researcher Sophie Jin said. The decrease in the size and number of deals in the first four months of the year was chiefly attributed to Beijing's tough capital controls. "The environment for tech M&As in China has changed after the banner period in 2015, which saw a frenzy of large mergers among start-up unicorns," Jin said. Last year, ride-hailing app operators Didi Dache and Kuaidi Dache announced their blockbuster merger, and Alibaba Group-backed Meituan.com agreed to merge with Tencent Holdings' Dianping.com to form China's largest online-to-offline local services provider. Jin said Didi's huge financing round last month represented the largest Chinese technology financing round to date, surpassing the USD4.5 billion raised by Alibaba affiliate Ant Financial Services Group in April last year. The Didi fundraising made up 27.6% of the total domestic technology M&A activity in the first four months of this year.

Mergermarket said the next two biggest technology deals during the period were the USD1.1 billion raised in January by Koubei, the online-to-offline service joint venture of Alibaba and Ant Financial, and the USD1 billion obtained early last month by Beijing Bytedance Technology, operator of the Toutiao news and information mobile app. Across all sectors, there were 413 deals worth USD82.1 billion in China in the first quarter, down 24.6% in value compared with 479 deals worth USD108.8 billion in the first three months of last year, the South China Morning Post reports.

- Inner Mongolia Yili Industrial Group, China's biggest dairy company, is competing with Dean Foods Co of Texas to buy Stonyfield, the largest American producer of organic yoghurt, in its first overseas acquisition. The deal is estimated to be worth USD850 million. Yili said in a stock exchange filing that the bidding process is in its preliminary stages. Stonyfield, based in New Hampshire, said on its website that it "makes everything certified organic".

REAL ESTATE

Homelink closes 87 branches in Beijing

China's largest property agency, Homelink, is closing 87 branches in Beijing, underscoring the depth of the city's real estate market woes after unprecedented government tightening. The company, which recently attracted China Vanke as an investor, said in a statement that it had shut the outlets after a fourth straight week of falling business in the wake of the harshest purchase restrictions in the capital's history. Previous reports said Homelink would shut down 300 stores across Beijing. The agent did not say how many more stores it plans to close. "Our stores' business has dropped about 70% since the curbs, as we can't sell commercial apartments now," said Homelink Agent Zhang Meng, referring to flats in buildings that were

originally designated for commercial use. Homelink's transactions fell to 3,145 units in April, a 77% plunge from the previous month. Beijing has restricted sales of new homes, pre-owned homes and so-called 'commercial apartments' since March 17. The intensity of the restrictions surprised even industry insiders. Second-time buyers of most homes in the city now have to pay a minimum of 80% of the property's value as downpayment, while buyers with any mortgage history no longer enjoy the "first-time buyers" status they were previously granted.

'School district homes', a previously red-hot product that saw prices double in just six months because of their proximity to prestigious schools, were dealt a heavy blow when governments announced new rules that made automatic eligibility for school admission through ownership uncertain. The government banned agents from listing flats in commercial buildings for sale or lease. Homelink said it had closed 44 of its outlets for that reason alone. Beijing Pixel, the largest commercial apartment project in the city, saw all 20 of its agents' outlets closed, with some converted into convenience stores. 5i5j, the second-largest agent in Beijing, is also closing branches, though it has not yet confirmed how many. Fang.com, a real estate listings platform, is closing 300 offline outlets in Beijing and surrounding areas. The downturn has also hit Shanghai. New home sales in April fell 8.8% from a month prior, and sales of secondary homes slumped 20.6%. Turnover was the lowest since 2012, the South China Morning Post reports.

RETAIL

JD.com reports first operating profit

JD.com, China's second-largest e-commerce company, said its first-quarter operating profit was CNY1.7 billion, reversing a net loss of CNY295.7 million a year earlier, as revenue grew strongly from direct sales as well as services for merchants and suppliers. JD.com's gross merchandising volume (GMV) surged 42% from a year ago to CNY184.1 billion, as revenue, excluding JD Finance, jumped 39.8% to CNY75.2 billion. "The strong results across the board reflect that the Chinese market is embracing our model of a high-quality online shopping," Richard Liu, Chairman and CEO of JD.com, said. GMV from general merchandise and others totaled CNY91.5 billion, up 48% from a year ago – faster than the GMV growth of 37% from electronics and home appliances. JD.com expects second-quarter revenue at between CNY88 billion and CNY90.5 billion, or an annual growth rate of 35% to 39% from a year earlier.

- May 10 was celebrated as the first Chinese Brands Day, which aims to publicize brands owned independently by Chinese companies and attach greater importance to brand building in the country. Yili Dairy is the most selected brand in China with over 1.1 billion purchases in a year, according to the 2016 Brand Footprint report by consumer research firm Kantar Worldpanel. In 2017, the total value of the list of BrandZ Top 100 Chinese Brands hit record levels, growing 6% to reach USD557.1 billion in brand value.
- Portable power bank rental is becoming a hot sector for investment by start-ups as China's 1 billion smartphone users are eager to keep batteries from losing power. A dozen players have jumped onto the power bank rental market in the past several weeks, driven by the influx of venture capital. Rental outlets have started to flood major cities in China with all kinds of designated power bank distribution machines, which can be as big as a vending machine or as small as a mini fridge. Through apps, users can find the nearest available machines, which are usually located at cinemas, shopping malls and restaurants, and rent a power bank out by scanning a QR code. Tencent-backed Xiaodian is currently the market leader.
- China's convenience stores posted a 13% rise in sales from a year ago to CNY130 billion in 2016. The average daily transaction of a single domestic convenience store gained 4% to CNY3,714, according to a joint report by the China Chain Store & Franchise Association and the Boston Consulting Group. The total number of convenience stores in China rose 9% to 98,000 at the end of 2016.

STOCK MARKETS

Shanghai shares tumble to seven-month low

Shanghai shares tumbled to a seven-month low on May 11 after producer price inflation cooled more than expected and concerns lingered over tightening financial regulations. The Shanghai Composite Index (SCI) fell to 3,052.79 points, losing 7.18% from this year's high on April 11. The tech-heavy startup board Chinext fell 1.7% to end at a 27-month low. The increase in China's Producer Price Index (PPI) slowed further in April, in a sign manufacturing activity may be losing momentum. The soft data, combined with slightly slower growth in manufacturing activity, reinforces analysts' views that China's economic expansion remains solid but is starting to moderate after a surprisingly strong start of the year. Tougher financial regulations have been a major concern for investors, many of whom fear the measures could go too far and hurt growth.

- The latest proposals for a listing reform on the Hong Kong Stock Exchange (HKSE) were overwhelmingly rejected by 94% of the 8,500 respondents to a consultation paper, as many were worried that giving the Securities and Futures Commission (SFC) a bigger role in the early stages of the listing process could endanger the initial public offering (IPO) market. Central to the reforms is the establishment of a listing regulatory committee and a listing policy committee with equal representation from the SFC and HKEX. The regulatory committee would handle applications deemed complicated by the exchange's listing division, while the second panel would decide on policies.
- In a rare move, Hong Kong's Securities and Futures Commission (SFC) ordered the suspension of trading in the shares of China Huishan Dairy Holding. The company, which saw all but two of its board members quit weeks after its stock price mysteriously plunged 85% in just 90 minutes on March 24, said the Hong Kong Stock Exchange (HKSE) had halted trading based on instructions from the SFC. There have been only six suspension of trading orders issued by the SFC since 2011. The company's board has only one acting Director – Chairman Yang Kai – making it ineligible to act on behalf of the company under Hong Kong law.
- Hong Kong Exchanges and Clearing (HKEX), which runs the city's stock and futures markets and owns the London Metal Exchange (LME), has reported better-than-expected net profit growth of 20% for the first quarter of the year to HKD1.72 billion. The rise in profit was partly due to a one-off gain of a HKD55 million interest payment from the liquidation of Lehman Brothers. The exchange plans to introduce more new products and connect schemes to attract more turnover this year.
- China Tower Corp, the state-backed telecommunications infrastructure-sharing joint venture, looks on track for its initial public offering (IPO) between the last quarter of this year and the first half of 2018. China Unicom Chairman and Chief Executive Wang Xiaochu said the Tower Corp listing will not be affected by Unicom's participation in the central government's mixed-ownership reform program. The joint venture was established by China Mobile, China Unicom and China Telecom in July 2014 to be responsible for all the construction, maintenance and operations of their telecommunications network towers and auxiliary infrastructure.

TRAVEL

Construction on Boeing's first overseas facility starts

Construction of Boeing's first overseas facility as part of its 737 production system has started in Zhoushan, a port city in Zhejiang province. After completion in 2018, the facility will deliver eight to 10 planes each month, with an annual production of up to 100 aircraft. Boeing and Commercial Aircraft Corp of China (COMAC) will jointly run the completion center, in which flight entertainment systems and seats will be installed in 737 aircraft. Boeing supplies 150 to 200 airplanes to Chinese customers a year, accounting for a quarter of Boeing's global deliveries.

- The Palace Museum in Beijing, also known as the Forbidden City, plans to stop selling

paper tickets from its box office in October. An internet-based system will be set up to better coordinate the number of visitors for different hours of the day. Starting in July, the museum will gradually decrease the percentage of paper tickets available at the gate. The Forbidden City received more than 16 million visitors in 2016.

VIP VISITS

President Xi Jinping hosts Vietnamese counterpart

President Xi Jinping has called for China and Vietnam to boost bilateral cooperation as he received Vietnamese President Tran Dai Quang, who ranks second in Vietnam after Communist Party General Secretary Nguyen Phu Trong. Tran is on his first visit to China since taking office in April 2016. Xi said that the two countries' relations had maintained a positive momentum over the last six months. Quang praised China's economic reforms, and called for the two parties and countries to cooperate more on trade, agriculture, tourism, security, infrastructure and cultural exchanges. The two leaders witnessed the signing of five agreements, including on additional funding for a light-rail transit project in Hanoi. China and Vietnam remain at odds over the sovereignty of islands in the South China Sea.

- Chinese President Xi Jinping pledged to protect the Paris Agreement on curbing climate change during a phone call with French President Emmanuel Macron. China and France "should protect the achievements of global governance, including the Paris Agreement", Xi told Macron. The two leaders agreed to meet "as soon as possible".
- Chinese and Uzbekistan enterprises signed agreements and deals of more than USD10 billion, during Uzbekistan President Shavkat Mirziyoyev's first state visit to China. Chinese President Xi Jinping said China is willing to expand cooperation with Uzbekistan in production capacity, investment, industrial parks, and infrastructure construction.
- Chinese Premier Li Keqiang said that the country is capable of maintaining financial market stability and warding off regional and systemic financial risks during his meeting with Managing Director of the International Monetary Fund Christine Lagarde. In a separate meeting with World Bank President Jim Yong Kim, Li said China's economy is in the process of transformation and upgrading, which requires traditional industrial capacity to be overhauled and new growth momentum to be fostered.

ONE-LINE NEWS

- Wang Bao'an, former Director of the National Bureau of Statistics (NBS), has pleaded guilty to accepting the equivalent of USD22 million in bribes between 1994 and 2016, and abuse of power, the Zhangjiakou Intermediate People's Court heard. Wang was Vice Minister of Finance from 2012 until April 2015.
- Han Zheng was reelected Shanghai Party Secretary at the 11th Shanghai Party Congress. Ying Yong and Yin Hong were also reelected Deputy Party Secretaries. The other members of the Standing Committee are Dong Yunhu, Liao Guoxun, Wu Jingping, Zhou Bo, Chen Yin, Weng Zuliang, Zhuge Yujie and Shi Xiaolin. The last three are new on the Committee.
- China's first national logistics laboratory – the National Engineering Laboratory for Logistic Information Technology – was set up in Shanghai over the weekend. It will focus on unmanned courier delivery and other artificial intelligence services.
- Chinese internet security company Qihoo 360 has made a software tool available that can recover data encrypted by the "WannaCry" malware attack. The software can operate without internet access and is free of charge. The recovery kit is in Chinese only. China National Petroleum Corp (CNPC) said the payment system in some of its gas stations could not function due to the virus.

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