法兰德斯中国商会 FCCC VCKK

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

Newsletter

14 November 2017

FCCC/EUCBA ACTIVITIES

Seminar – Negotiating with the Chinese: Cultural Roots & Practical Recommendations – 14 November 2017 – Ghent

“Building a win-win partnership through the art of negotiation”

The seminar on ‘Negotiating with the Chinese: Cultural Roots & Practical Recommendations’ will take place in **Ghent at 14h00 on Tuesday 14 November 2017.** This seminar is organised by the Flanders-China Chamber of Commerce and the Cheung Kong Graduate School of Business.

Mr Bo Ji, Chief Representative Europe & Assistant Dean Global Executive Education of the Cheung Kong Graduate School of Business will be the keynote speaker.

This seminar offers guidance to business leaders on how to leverage cultural differences, complexity, uncertainty, and conflicts during the negotiation process with their Chinese partners. It delivers direct impact on a company’s bottom line to support individuals who are doing business with a fast-changing China.

Attendees will gain a comparative understanding of the practical Chinese and Western approaches to negotiation as well as sharpen their own negotiation skills through learning from multiple case studies and real-life contexts. Furthermore, they will identify the cultural roots behind business scenarios, which will provide them with the knowledge to reshape their strategies and tactics. The attending business leaders will also learn to optimize their approach to a win-win value creation through negotiating with the Chinese to achieve a sustainable partnership.

Programme
13:00 Registration
14:00-14:15 Opening Remarks by Ms Gwenn Sonck, FCCC Executive Director
14:15-15:00 China vs West: different cultural negotiating models
15:00-15:15 Break
15:15-16:00 Chinese cultural roots and elements to shape the negotiating skills
16:00-16:15 Break
16:15-17:00 Strategies that lead you to a better negotiation outcome
17:00-17:15 Break
17:15-17:40 Group discussion
17:40-18:00 Networking

If you are interested in attending this event, please register online HERE

Practical information:
When: 2 pm – 6 pm, Tuesday, 14 November 2017
Where: Ajuinlei 1 - 9000 Ghent, Belgium
Participation fee: for members: € 185 (excl. VAT), non-members: € 225 (excl. VAT)

Contact: Ms. Lijuan Yu - CKGSB lijuanyu-pt@ckgsb.edu.cn FCCC info@flanders-china.be

About the speaker

Bo Ji, Chief Representative Europe & Assistant Dean Global Executive Education of the Cheung Kong Graduate School of Business

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.

Seminar: "Immigration for Chinese Professionals" – 22 November 2017 at 10h30 – Brussels

The Flanders-China Chamber of Commerce and Flanders Investment & Trade are organizing a seminar focused on '**Immigration for Chinese Professionals in Belgium**'. This seminar will take place on **22 November 2017 at 10h30** at Flanders Investment & Trade, Zenith Building, Koning Albert II-laan 37, 1000 Brussels.

During this conference, you will get a better understanding of the regulations regarding professional cards and family reunification.

The programme is as follows:

10h15: Registration

10h30: Welcome by Ms. Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce and Ms. Lothe Verstraete, Deputy Director Inward Investment Greater China, Flanders Investment & Trade

10h45: HOW TO APPLY FOR A PROFESSIONAL CARD IN FLANDERS?
An overview of the conditions and procedure for applying for a professional card as a self-employed person in Flanders.

Mrs Karen Cambré, Head Economic Migration Flemish Brabant and Limburg, Flemish Government

11h15: SHORT OVERVIEW OF WORK PERMITS: TYPOLOGY AND APPLICATIONS
The most important aspects of work permits, i.e. the conditions to apply, statistics and how to deal with refusals and appeals.

Mr Wouter Ottevaere, Head Economic Migration, Flemish Government

11h45: FAMILY REUNIFICATION
Belgian family reunification procedure and legal conditions in the context of economic migration.

Mr David Rans, Attaché Federal Public Service - Home Affairs, Department of Immigrant Affairs, Visa Family Reunification

12h15 – 13h00: Networking lunch

If you are interested to participate, please register online before 16 November 2017.

Practical information

When: 22 November 2017, 10h30 – 13h00
Where: Flanders Investment & Trade, Zenith Building, Koning Albert II-laan 37, 1030 Brussels
Fee: Members: **45 €** (excl. VAT) Non-Members: **65 €** (excl. VAT)

Lunch Meeting with Qingdao Delegation – 24 November 2017 at 12h00 – Gent

The Flanders-China Chamber of Commerce is organizing a lunch meeting with a delegation from the Department of Commerce of Qingdao and leading Qingdao companies. This meeting will take place on **Friday 24 November at 12h00** at Mubart, Fernand Scribedreef 1, 9000 Gent.

Representatives from Qingdao's Bureau of Commerce and leading companies will offer an insight into the economic and investment environment of Qingdao. Business leaders from major brands such as Haier, Tsingtao Brewery Group and Shandong Electronic Power Corporation will take part in this luncheon.

The programme for this lunch meeting is as follows:

Programme

12:00 Registration

12:30 Welcome speech by Ms Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce

12:35 Qingdao Presentation Video

12:40 Keynote speech by Mr Xing Lizhi, Director, Qingdao Municipal Bureau of Commerce on promoting cooperation on trade and investment

13:00 Lunch and networking with the delegation

The composition of the delegation can be viewed via the following link.

If you are interested in attending, please register via this link **before 22 November 2017**:

Participation fee:
FCCC Members: **65 €** (excl. 21% VAT)
Non-Members: **85 €** (excl. 21% VAT)

Please note that Mubart is located outside the city center and offers parking places in front of the venue.

For any further information, please contact: info@flanders-china.be

Briefing: China's Changing Role, What it Means for Global Growth and Developments – 27 November 2017 at 15h30 – Brussels

The Flanders-China Chamber of Commerce and The Conference Board are organizing a briefing on **China's Changing Role, What it Means for Global Growth and Developments**.

This briefing will take place at The Conference Board, 178 Chaussee de la Hulpe on **Monday 27 November 2017 at 15h30 in Brussels**.

As the last twelve months have witnessed unexpected geopolitical events, key assumptions about trade, investment, and the role of business are changing. To assess the impact for global firms, the Flanders-China Chamber of Commerce and The Conference Board have decided to focus on the following topics:

- **President Trump one year on, implications on global trade and economy**
- **China's changing role, what it means for global growth and development**
- **Impact of trade and global value chain transitions for MNCs**

The briefing will be conducted by Mr. Bart van Ark, Chief Economist of The Conference Board, and Mr. David Hoffman, Head of Asia Pacific and The China Center of the Conference Board.

Practical Information

When: 27 November 2017
Location: The Conference Board, 178 Chaussee de la Hulpe, Brussels
Time: 15h30

Participation fee:

- Members: **85 €** (excl. 21% VAT)
- Non-Members: **105 €** (excl. 21% VAT)

Tickets: please buy your tickets online via Eventbrite by clicking here .

ACTIVITIES SUPPORTED BY FCCC

China International Import Expo – November 5-10, 2018 – Shanghai

Venue: National Exhibition and Convention Center (Shanghai)

Hosts: Ministry of Commerce of the People's Republic of China, Shanghai Municipal People's Government

Supporters: World Trade Organization, United Nations Industrial Organization, and etc.

Organizers: China International Import Expo Bureau, National Exhibition and Convention Center (Shanghai) Co., Ltd.

In May 2017, Chinese President Xi Jinping announced at the **Belt and Road Forum for International Cooperation** that **China will hold the China International Import Expo** (CIIE) starting from 2018.

It is a significant move for the Chinese Government to hold CIIE with a view of firmly supporting trade liberalization and economic globalization and actively opening the market to the world. It facilitates countries and regions all over the world to strengthen economic and trade cooperation, and to promote global trade and world economic growth in order to advance the development of an open world economy.

The Chinese Government sincerely welcomes government officials, friends from the business community, exhibitors and professional purchasers across the world to participate in CIIE and to explore the Chinese market. We would like to work with all countries, regions and international organizations to strive for making CIIE a world-class Expo, providing new channels for countries and regions to do business, strengthening cooperation and promoting common prosperity of the world economy and trade.

Contact:

China International Import Expo Bureau
National Exhibition and Convention Center (Shanghai)
Address: 333 Songze Avenue, Shanghai, China
Telephone: +86-21-67008870/67008988
Dax: +86-21-67008811
E-mail: info@sinoexpo.cc
Website: www.neccsh.com

ADVERTISEMENT AND SPONSORSHIP

Advertisement and sponsorship opportunities 2018

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. www.eucba.org

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

VIP VISITS

President Trump caps China visit with trade deals

Melania and Donald Trump, Xi Jinping and Peng Liyuan

U.S. President Donald Trump and First Lady Melania paid a two-day **state visit to China on November 8 and 9**, starting with a visit to the Forbidden City. High on the agenda were the situation on the Korean peninsula and the trade imbalance between the two countries, market access and technology transfers.

The two Presidents witnessed the signing of **deals worth USD253 billion** following formal talks in Beijing, making the U.S. head of state's visit to China one of the most fruitful for Chinese and U.S. businesses in terms of the value of agreements struck. They agreed to continue high-level dialogue. Trump and Xi characterized the visit as a success, but their joint press conference lasted less than 15 minutes. President Xi said it is necessary to have continued in-depth discussions on trade and lessen restrictions on the investment environment.

Contracts signed included the Chinese purchase of 300 Boeing jets for USD37 billion, mobile phone chipsets from Qualcomm for USD12 billion, USD1.6 billion of soybeans, and vehicles and parts from General Motors and Ford for a total of USD11.7 billion. Other agreements included memoranda of understanding on liquefied natural gas sales and industrial development cooperation. One of the most substantive agreements was a gas deal between the State of Alaska, Alaska Gasline Development Corp, China Petrochemical Corp (Sinopec), China Investment Corp (CIC) and the Bank of China (BOC), involving a total investment of up to USD43 billion.

Officials said the joint development agreement will create up to 12,000 American jobs and reduce the trade deficit between the U.S. and Asia by USD10 billion a year. China's major online retailer JD.com also agreed to buy USD1.2 billion of American beef and pork.

U.S. Commerce Secretary Wilbur Ross said: "Today's signings are a good example of how we can productively build up our bilateral trade."

China posted the second highest **monthly trade surplus of USD26.6 billion** with the United States in October, hours ahead of Donald Trump's first visit to China as U.S. President. The bilateral trade surplus increased 12.2% from a year earlier. In the first three quarters of the year, bilateral trade increased 13.7% year-on-year to USD422.64 billion. China's exports to the U.S. grew 11.5%, outpaced by a nearly 20% expansion in imports from the latter. China receives 26% of U.S.-exported Boeing aircraft, 56% of its soy beans, 16% of its automobiles, 15% of its farm produce, and 15% of its integrated circuits.

Large Chinese delegation attends APEC CEO Summit

Chinese President Xi Jinping delivering a speech at the APEC CEO Summit in Danang, Vietnam

Over **300 Chinese business representatives** attended this year's APEC CEO Summit, including representatives from the State Grid Corp of China, Huawei, Bank of China (BOC) and the Aluminum Corp of China, making the Chinese delegation the largest among foreign groups.

Immediately after concluding his state visit to China, U.S. President Donald Trump traveled to Danang, Vietnam to attend the Asia-Pacific Economic Cooperation (APEC) Summit, where he again met Chinese President Xi Jinping as well as Russian President Vladimir Putin. While Trump had refrained from criticizing his hosts in Beijing, in Danang

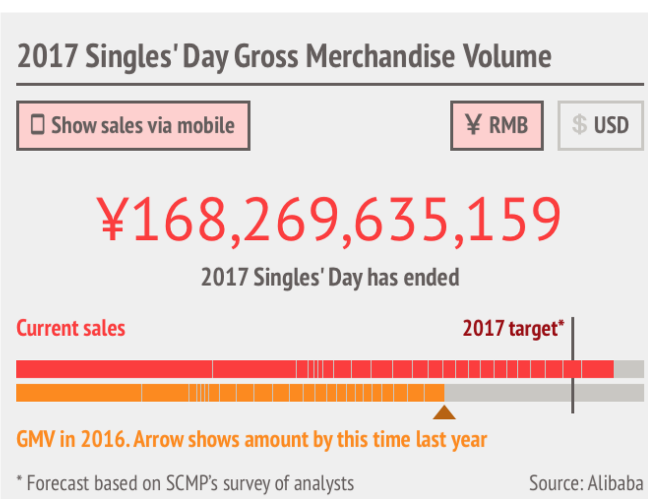
Trump and Xi presented diverging blueprints for the global trade order at the CEO Summit. Trump's speech centered on his protectionist 'America First' policy, while President Xi presented China as a defender of **"irreversible" globalization**.

"The building of an Asia Pacific free-trade era is a long-cherished dream of the business community of our region," Xi said. "This is a new journey for greater integration with the world." Xi heralded the rise of multilateralism as he touted China's "Belt and Road Initiative" to revive trade and infrastructure from Asia to Africa, Europe and beyond. He said that over the next 15 years, China would aim to import USD24 trillion in goods, drawing in USD2 trillion in direct investment and generating a similar amount in outbound flows. He added: "All businesses registered in China will be treated as equals." Xi also invited countries in the region to "board China's express train of development". "In pursuing economic globalization, we should make it more open, more inclusive, more balanced, more equitable and more beneficial to all," Xi said.

The 11 remaining members of the defunct **Trans-Pacific Partnership (TPP)** reached an agreement to proceed with the trade pact under a new name – "Comprehensive Progressive Trans-Pacific Partnership" (CPTPP) – without the United States. China, which is not involved, said the revised arrangement would not affect initiatives backed by Beijing, such as the Regional Comprehensive Economic Partnership (RCEP).

RETAIL

Alibaba smashes November 11 sales record



Alibaba Group smashed its 24-hour November 11 Singles' Day sales tally from last year, recording a **total gross merchandise volume (GMV) of more than CNY168.2 billion**, up 39.4% on last year. The amount is nearly four times the combined online sales of Black Friday and Cyber Monday in the U.S. The event was held for the ninth time. Dubbed the Double Eleven or 11.11, it saw Alibaba taking a little over 13 hours to pass its total takings of USD18.1 billion from Singles' Day in 2016. The online shopping spree has been held by the firm every November 11 since 2009, with brands from China and around the world offering steep discounts on its Taobao market place and Tmall online stores. "Sales of 157 merchants exceed CNY100 million; 17 merchants exceed CNY500 million; 5 merchants exceed CNY1 billion," said Alibaba Chief Executive Daniel Zhang.

In the first three minutes after midnight on November 11, Alibaba recorded CNY10 billion in spending. Last year it took six minutes to reach the same amount. A total of **140,000 brands** took part this year, up 40% from last year, **including 60,000 international brands**. More than 15 million products were on offer. Alibaba said foreign brands including Gap, Bose, Casio, C&A, Vero Moda, Jack Jones and Miss Sixty. Global purchasers are able to join the festival in China through Alibaba's delivery arm Aliexpress that enables shoppers around the world to purchase goods from Chinese online merchants.

Nine out of 10 people used mobile wallet apps for payment, with Alibaba's Alipay app handling 1.48 billion transactions in 24 hours and processing them at a peak rate of 256,000 transactions per second.

Artificial intelligence (AI), robots and drones played a more important role in this year's event as the sheer volume of products make it practically impossible for employees to keep up, and is part of a broader push by China to embrace AI. Tmall Smart Selection, an AI-powered recommendation algorithm helped buyers to make a decision. The algorithm is backed by the latest advances in deep learning and natural language processing. AI-powered customer service chatbot Dian Xiaomi is another of Alibaba's tech tools to help make businesses smarter and more efficient. The chatbot can understand more than 90% of customer enquiries and serve almost 3.5 million users a day. In the more advanced "cloud" version made available this year, the service also features the capability to understand customers' emotion through text analysis and alert customer service staff for priority handling. Once the products are selected, the orders are received automatically by robots for packaging and transport, such as in a newly opened automated warehouse operated by Alibaba's delivery arm, Cainiao Network, in Huizhou, a city near Shenzhen in Guangdong province. The 200 robots can process 1 million shipments per day. Alibaba is also experimenting with drone deliveries, the South China Morning Post reports.

FINANCE

China relaxes ownership restrictions on foreign joint ventures in the financial services and insurance sectors

China's Vice Minister of Finance Zhu Guangyao

China will raise foreign ownership limits in domestic financial firms and grant foreign investors greater access to the financial services market, **Zhu Guangyao**, Vice Minister of Finance. The country will raise the limit on foreign ownership in joint-venture firms in the futures, securities and funds sectors **to 51% from the current 49%**. At the same time China has also urged the United States to loosen restrictions on exports of high-tech products to China, comply with Article 15 of the Protocol on China's Accession to the World Trade Organization (WTO), treat Chinese investors in the U.S. fairly, facilitate China International Capital Corp's application for an independent financial business license, and be discreet in using trade remedy measures against Chinese exports to the U.S.

A change of 1% in stake holding can fundamentally modify the corporate governance of **joint venture life insurers** in China and attract more foreign investors, but it is unlikely to make them major players in the country's vast insurance industry, according to industry watchers. After three years, foreign players will be able to hold a 51% stake in such joint ventures, currently capped at 50%, Zhu said in Beijing.

After five years, the cap will be scrapped. AIA, Allianz and Manulife are the only companies currently exempt from the 50% limit – AIA has a 100% owned subsidiary and the other two have a 51% stake in their joint ventures.

Last year, JP Morgan withdrew from its joint venture with First Capital Securities. Jamie Dimon, JP Morgan's Chief Executive and Chairman said he would like to have operational control of future investment banking activities in China. "JP Morgan welcomes any decision made by the Chinese government that looks to liberalize its financial sector further," a Spokeswoman said in a statement.

In June, **HSBC** became the first bank to own 51% of its mainland joint venture, under the Closer Economic Partnership Agreement (CEPA), a free-trade agreement between Hong Kong and the mainland designed to promote financial services. UBS reiterated its desire to own 51% of its joint venture, but analysts cautioned that majority control by itself was not a magic bullet.

"For joint venture life insurers, there is a prevailing headache that derives from the 50:50 stake holding structure, as no party has the decisive say, leading to unnecessary infighting, waste of resources, and which hinders the implementation of strategy and operation of a joint venture life insurer," said Wesley Cui, General Manager, China Insurance Consulting at Willis Towers Watson.

Insurance premiums in China grew by 28% last year, their fastest pace since 2008, with the country contributing to about half of all premium growth globally. At present, there are 28 life insurance joint ventures in China, accounting for 7% of the market share as far as premium is concerned.

CHINA NEWS ROUND-UP

China's imports on the rise

China's **imports jumped 21.5%** year-on-year to CNY10.11 trillion **from January through October** this year – as domestic demand for bulk commodities, mechanical and electrical products notably surged, the General Administration of Customs announced. The country in the meantime purchased 896 million metric tons of iron ore, 349 million tons of crude oil and 54.16 million tons of natural gas from global markets, up 6.3%, 11.8% and 24.9%, respectively, year-on-year. Xu Hongcai, Economist with the China Center for International Economic Exchanges, said the import scene remains promising as the demand for and price of bulk commodities have been rising. It also showed that the recovery in the domestic market remains steady.

Eager to support its ongoing industrial upgrade, China also imported CNY4.66 trillion of mechanical and electrical products, growing 14.9% from the same period a year earlier, including 1.01 million units of vehicles. China's foreign trade volume rose 15.9% year-on-year to CNY22.52 trillion in the first 10 months of 2017, while exports increased 11.7% to CNY12.41 trillion. The **trade surplus shrank 17.8%** to CNY2.3 trillion in the same period. Both the trade volume and the share of private enterprises increased, as their combined volume rose 17.1% and accounted for 38.4% of the total, larger than the share for the same period of 2016.

"China is no longer betting on exports to drive up the economy, cultivating new growth points via technology upgrades, high-end foreign machinery imports, stimulus measures to boost domestic consumption and adequate investments in fast-growing sectors in global destinations – they have all become indispensable parts for the country to boost its economy," said Feng Yaoxiang, Spokesman for the China Council for the Promotion of International Trade (CCPIT) in Beijing. The country's **trade volume** with traditional markets, including the **European Union**, the United States and the Association of Southeast Asian Nations (ASEAN), saw **16.2%**, 17.2% and 18.5% year-on-year growth respectively. Jim Miller, Chairman of the U.S. Soybean Export Council, believes that China will continue to increase its agricultural product imports from the U.S. The country has already reached 15 free trade agreements (FTAs) with 23 countries and regions.

Xian to become global center for cutting-edge technology

Xian, capital of Shaanxi province, aims to become a global center for cutting-edge technology by 2025. "Xian will become the world's capital in the hard sciences and core scientific fields, and become a model city for cutting-edge innovation, applications and trade by 2025," Wang Yongkang, Communist Party Secretary of Xian, said at the opening of the **Global Hard and Core Technology Innovation Conference** in the city. Hard and core sciences are "fields that are more advanced and influential than high-tech", Wang said. These areas of the natural sciences "have extremely high thresholds of entry, are nearly impossible to duplicate and require decades of rigorous research and huge investments from the nation".

Such fields include **smart manufacturing, new energy, new materials, photonic and computer science, space technology, biotechnology and artificial intelligence**. Xian is fully capable of becoming a global model city in innovation and manufacturing, said Zhang Daohong, Vice Governor of Shaanxi. The province already excels in space technology, advanced electronics manufacturing, clean energy and new materials, he said. In 2016, Xian's industrial output reached CNY118 billion, a 10% year-on-year increase. Xian also invested more than CNY30 billion in research and development (R&D) in 2015, he said. "We are confident that hard and core technologies will become the new calling card for Xian," Zhang said. Meanwhile, Xian, which is the starting point of the land route of the Belt and Road Initiative, "will be a crucial science and innovation hub to serve the initiative", he said, as reported by the China Daily.

Fake products' network smashed

Chinese and U.S. police have jointly smashed an international criminal network that **made and sold fake luxury brands** such as Louis Vuitton, Gucci, Rolex and Cartier, the Ministry of Public Security announced. The joint probe is part of an ongoing collaboration between law enforcement agencies in the two countries to curtail intellectual property infringement, and it reflects a zero-tolerance attitude on both sides toward cross-border crimes. In this case, fake luxury goods were produced in Chinese factories, sold via e-commerce and shipped to the U.S. and other countries and regions.

Chinese police so far have **detained 36 suspects and destroyed seven production plants**, confiscating more than 3,000 counterfeit items, including leather products, suitcases, glasses, watches and jewelry. Sales had reached CNY100 million. U.S. law enforcement agencies are investigating buyers who placed the orders in the United States. Early this year, police in Guangzhou received a tip and discovered an English-language website full of advertisements for fake luxury goods, the Ministry said. Later, a criminal group surfaced. The Ministry then informed the U.S. Department of Homeland Security about the matter, and a joint investigation was started.

As part of the effort, police discovered that the gang received orders from the website in Guangzhou, and then purchased fake products from local markets or ordered them from illegal factories. In mid-July, police in Guangdong raided production, storage and export operations, and found information related to orders from U.S. customers, the China Daily reports.

Ford sets up electric car venture with Zotye

Ford has signed an agreement with **Anhui Zotye Automobile** to set up a CNY5 billion joint venture focusing on electric cars, in a substantial step towards tapping China's new energy vehicle (NEV) segment. A new factory will be established in Zhejiang province and a new sales and service network dedicated to the new cars will be created. The 50-50 venture, known as Zotye Ford Automobile, is subject to regulatory approval, Ford said.

Zotye, described by Ford as a market leader in China's electric small vehicle segment, will become the U.S. carmaker's third major partner in China, after Chongqing Chang'an Automobile and Jiangling Motors. "Zotye Ford will introduce a new brand family of small all-electric vehicles," said Peter Fleet, President of Ford Asia-Pacific. The vehicles manufactured by the venture will be sold under a new brand name.

Ford joins global rivals such as General Motors and Volkswagen in vying for a share of the fast-growing new energy vehicle segment in China. These big-name carmakers will also come up against Tesla, with the Silicon Valley-based electric carmaker also planning to set up a plant in China.

UBS Analyst Hou Yankun said China's electric car segment will have huge potential in the coming years, with annual sales expected to reach 700,000 to 800,000 units. Most car manufacturers will be required to sell a minimum number of new energy vehicles every year from 2019. Sales of NEVs jumped by 63% to 336,000 units in 2016.

China's super financial regulator to be headed by Vice Premier

China officially launched its new super financial regulator four months after President Xi Jinping ordered the creation of the agency to tackle financial risk. The **Financial Stability and Development Committee** already convened its first meeting and defined a wide range of functions, according to Xinhua news agency. The Committee is headed by **Vice Premier Ma Kai**, which means it will have a higher political ranking than the various government ministries already involved in financial oversight.

The agency would supervise China's monetary policy and financial regulation. It will also formulate policies on systemic financial risk management, maintain China's financial security, and give local governments guidelines on their financial development. In addition, it would have the authority to supervise and question financial regulators and local governments, making it a powerful institution rather than a toothless coordinating body, according to the report.

Xi's order to create the organization reflects the President's concerns about the financial risks facing China, after the stock market rout in the summer of 2015 and the mushrooming of illegal fundraising schemes that the government fears are a tinderbox for social unrest.

The previous financial regulatory framework – comprising the People's Bank of China (PBOC), the China Banking Regulatory Commission (CBRC), the China Securities Regulatory Commission (CSRC) and the China Insurance Regulatory Commission (CTRC) – proved too fragmented to prevent or manage systemic risks, the South China Morning Post reports.

Shenzhen is China's most innovative city, says HSBC

Companies based in China's south-eastern city of Shenzhen are the most innovative in China, on the back of a number of traditional manufacturers that transitioned into the new economy and a rising start-up sector, according to new research presented by HSBC. Chinese policymakers have long been looking to innovation to boost growth, which President Xi Jinping reiterated in his policy address at the Chinese Communist Party's 19th Congress last month where he urged greater innovation from Chinese companies and referred in particular to big data, artificial intelligence and internet technologies.

The **Chinese Corporate Innovation Report 2017**, produced by Yicai Media Group and Zhejiang University's School of Management but presented by HSBC, said that the **nine cities in China's Pearl River Delta** (PRD) were "gaining a reputation as China's creative and game-changing **'Silicon Delta'** as companies there transition from traditional manufacturing sectors to the new economy, and a new generation of start-ups emerges". The PRD is across the border from Hong Kong. Policymakers both in Hong Kong and on the mainland hope to link Hong Kong and Macao with the delta's cities under the "Greater Bay Area scheme".

The HSBC report looked at the "innovative power" of about 1,200 listed companies in China, and found that Shenzhen-based corporates had the highest average score. A company's "innovative power" was measured by the scale of its research and development (R&D) investment, number of patents, and the novelty of its business model, among other factors.

Other PRD cities that ranked highly included Foshan and Zhuhai. "It isn't just hi-tech companies in China that invest in innovation, but also those in traditional industries such as beverages and textiles, and in particular privately-owned companies and small and medium enterprises," said Frank Fang, HSBC's head of commercial banking for China in a statement.

Shenzhen was also ranked China's most competitive city, and the sixth most competitive in the world, in a separate report produced by the UN and the Chinese

Academy of Social Sciences published last month, the South China Morning Post reports.

Your banner at the FCCC website or newsletter

Companies interested in posting a banner/an advertisement on the FCCC website, FCCC weekly newsletter or bi-weekly sectoral newsletters are kindly invited to contact the FCCC at: info@flanders-china.be

Organisation and founding members of the Flanders-China Chamber of Commerce

Chairman: Mr. Stefaan Vanhooren, President Agfa Graphics, Member of the Executive Committee of the Agfa Gevaert Group, NV THE AGFA-GEVAERT GROUP SA
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Membership rates for 2018 (excl. VAT)

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- Large enterprises: €1,025

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