Newsletter

21 November 2017

FCCC/EUCBA ACTIVITIES

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.

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 19th Party Congress: What Does This Mean for European Companies in China and Globally?' – 27 November 2017 at 15h30 – Brussels

The Flanders-China Chamber of Commerce and The Conference Board are organizing a briefing: **'China's 19th Party Congress: What Does This Mean for European Companies in China and Globally?'**.

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

A number of geo-political developments over the last 12-18 months represent potential paradigm shifts in global trade and investment norms, not least Xi Jinping's "New Era" proclaimed during the recently concluded 19th Party Congress in Beijing. The New Era portends new rules of play for firms in China, and a much more muscular ascent of China onto the world economic stage.

This exclusive event will focus on:

- **The 19th Party Congress – Key Readouts and Prognostications for multinational business**

The Congress ratified key changes to the Constitution of the Communist Party of China and approved the incorporation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era into the constitution. Xi Jinping is the first leader since Deng Xiaoping to append his name into party ideology. Xi Jinping is in a better position to push forward his ambitious national "rejuvenation" and development agenda, which does not, we assert, include a more expanded role for markets to play a decisive role in China's economy. European companies in China need a New Playbook for this New Era, and the Conference Board will help assessing what companies could expect.

- **President Trump one year on, implications on global trade and economy**

How will the role of the US in the global economy change, and can we identify the impacts of President Trump's presidency?

The signing of $250 billion in trade deals when Donald Trump met Xi Jinping in China was applauded but will the Trump administration be able to use the momentum to tackle the issue of market access and unlevel competitive conditions for multinational firms in China.

- **Impact of trade and global value chain transitions for European companies**

Will faster global growth help global trade to recover, and how will it affect global value chains? How will China's Belt and Road initiative potentially change the dimensions of competitiveness.

How will Europe respond to these and other important global influences?

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)

The briefing is organised with the support of the EU-China Business Association.

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

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

Meeting and Reception with the Ambassador and Consuls General of Belgium in China – Friday 15 December 2017 at 18h00 – Brussels

The Flanders-China Chamber of Commerce (FCCC) is organizing a meeting and reception with the Ambassador and Consuls General of Belgium in China. This event will take place on **Friday 15 December 2017** at **18h00** at Umicore, Broekstraat 31, 1000 Brussels.

This meeting is an excellent opportunity to discuss your companies' activities in China with the Ambassador and Consuls General of Belgium in China.

The theme of the speeches will be:

Economic Opportunities in the Chinese "New Era"

Programme:

18:00 Registration

18:30 Speeches by:

- **Mr Stefaan Vanhooren**, Chairman, Flanders-China Chamber of Commerce
- **Mr Marc Vinck**, Ambassador of Belgium in China
- **Mr Paul Lambert**, Consul General of Belgium in Shanghai
- **Mr Joris Salden**, Consul General of Belgium in Guangzhou
- **Ms Michèle Deneffe**, Consul General of Belgium in Hong Kong and Macao

19:00 Exchange of views and networking with the Ambassador and Consuls General

20:00 End of the meeting

If you are interested in attending this event, please **register online before 12 December 2017** via this link.

Participation fee:
Members: 4**5 €** (excl. 21% VAT)
Non-Members: 7**5 €** (excl. 21% VAT)

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

ACTIVITIES SUPPORTED BY FCCC

China Platform – Second Lecture Café – "Family planning in China: no longer a 1-child policy" – 29 November 2017 – Ghent

When: 29-11-2017 from 18:00 to 21:00
Where: Het Pand, Onderbergen 1, 9000 Ghent, Room: Refter
Language: English
Organizer: Inge Mangelschots
Contact: inge.mangelschots@ugent.be
Website: http://www.ugent.be/chinaplatform

+ Add to my calendar

As the "1-child policy" is no longer being implemented in China, it seems a good idea to provide you with a clear view on the current status of affairs of the issue.

This lecture is being organised parallel to the activities of the International Thematic Network "ANSER" (https://www.ugent.be/anser/en/overview.htm) in the framework of their "ANSER-ULB China Day"

Programme:

- Welcome remark by Prof. Dr. Luc Taerwe, Director China Platform & introduction to the "China Lecture Café Series" that are organized on an annual basis.
- Introduction on the historical background and evolutions by Prof. Dr. Bart Dessein, Department of Eastern Languages and Cultures, Faculty of Arts and Philosophy, Ghent University.
- Presentation "Family planning in China: no longer a 1-child policy" by Mrs Hong Ping, Deputy Secretary General and Director General of the International Cooperation Department in China Family Planning Association (CFPA), PR China
- Q&A
- Reception at 8.00 pm (1 hour)

Participation in this lecture is for free. The deadline for registration is 24 November 2017.
Here you can find the CV of Mrs. Hong Ping, Deputy Secretary General and Director General of the International Cooperation Department in China Family Planning Association (CFPA), PR China.

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

PAST EVENTS

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’ took place in **Ghent on 14 November 2017.** This seminar was 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 was the keynote speaker.

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

Following opening remarks by Ms Gwenn Sonck, FCCC Executive Director, Mr Bo Ji, Assistant Dean & Chief Representative for Europe at Cheung Kong Graduate School of Business (CKGSB), lectured on China vs West: different cultural negotiating models; Chinese cultural roots and elements to shape the negotiating skills; and strategies that lead you to a better negotiation outcome. A group discussion and networking session concluded the event.

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

BELT & ROAD

Record number of trains carry cargo between China and Europe

The number of **freight trains traveling between China and Europe** hit record levels, according to the China Railway Corporation (CRC), indicating growing economic ties between China and economies participating in the **Belt and Road (B&R) initiative**. Still, economies along the B&R have yet to make full use of the trains to ship their products into the booming Chinese market.

The number of the trains hit a new annual record this year after initially being put into operation in 2011. This year, **over 3,000 freight trains have traveled on 57 lines** from China to European cities, topping the combined numbers reached in the 2011-16 period and pushing the aggregate to more than 6,000. The cargo service, considered a significant component of the B&R, now serves as a bridge **between 35 Chinese cities and 34 cities in 12 European countries**.

The freight rail routes help cut logistics costs and improve trade efficiency between China and Europe – its largest trading partner – and more importantly serve to prove the viability of the B&R initiative as an enabler of trade connectivity, experts said. In the first 10 months of the year, trade between China and Europe denominated in the Chinese currency grew 16.2% year-on-year, according to Chinese customs data.

There are other projects such as the yet-to-be-finished transcontinental expressway linking Lianyungang in Jiangsu province and St. Petersburg in Russia. The Chinese section of the transcontinental expressway recently opened to traffic.

Some experts, however, worry that the cargo trains and expressways might aggravate imbalances of trade between China and some B&R economies. The volume of cargo is still unbalanced with **a significant number of China-bound cargo trains** carrying **empty** or partially loaded containers on the return journey.

Ma Bin, Assistant Researcher at the Center for Russia and Central Asia Studies at Fudan University, told the Global Times that resources and networks need to be optimized to save costs and achieve efficiency. "It is particularly urgent to create domestic distribution centers and regional ones along the route to coordinate the flow of goods," he said.

Since the Harbin-Europe line was launched in June 2015, there are now four lines from Harbin to European cities, with 642 trains carrying a total of 37,268 containers. Among the trains, 311 were Europe bound and 331 China bound. Europe bound trains mostly carry vehicles and components, machinery, electronics and daily necessities. China bound trains mostly carry autos and components, and paper pulp.

A total of 264 cargo trains have traveled on the Yixin'ou cargo line (Yiwu-Xinjiang-Madrid), carrying 21,536 containers by the end of October, the Global Times reports.

FOREIGN INVESTMENT

China's long list of opt-outs hindering talks with EU over investment treaty

The negotiations for an investment treaty between China and the European Union are being hampered because China wants so many sectors to be exempt from the treaty, sources have said. The **EU was not satisfied** with China's offer of market access because of the number of opt-outs it was seeking as well as the other restrictions it wanted to place on European investors. The EU was also disappointed at the slow pace that the financial services sector was being opened up, but expected that China would speed up the process to push forward the talks.

Beijing and Brussels started talks on the **Comprehensive Agreement on Investment** in January 2014. The two sides will hold the 16th round of talks next month. The European Chamber of Commerce in China wants a simplified regulatory environment, freedom to enter into new business areas or product segments and fewer barriers to acquisitions in China. The French Ambassador to China **Jean-Maurice Ripert** told a financial forum that he hoped EU partners including China "can offer the same level of openness as the EU and **a level playing field**". Foreign companies have frequently complained about the lack of market access in China, and the issue has affected China's relations with the United States and the EU.

As Beijing announced it would **loosen the ceiling on foreign investment in financial sector**, Germany's Ambassador to China **Michael Clauss** said that – while the announcement was welcome news – there has been no shortage of such kind of announcements in recent years. "What we rather see is that the implementation very often leaves much to be desired," he said. "In many cases the alleged opening up of the market is being foiled by bureaucratic barriers and red tape. "That might be one of the reasons why the share of foreign banks in the Chinese finance sector over the last 10 years decreased to less than a meagre 2%," he added.

The EU is increasingly discontented about the lack of investment access and is drawing up investment screening regulations owing to concerns about China's strong appetite for European technology. China's investment in the EU rose by 77% last year to €35 billion, while EU investment into China fell for the fourth year in a row to €8 billion, down 23% on the previous year, the European Chamber said in a report. During the first half of this year, China's investment in the bloc remained stable at USD10.4 billion, while the **EU's investment in China fell** to USD3.7 billion from USD4.8 billion compared with the previous year, the South China Morning Post reports.

China's outbound direct investment (ODI) from non-financial sectors dropped 40.9% year-on-year to USD86.31 billion between January and October. Companies from China invested in 5,410 companies in 160 countries and regions in the first 10 months of the year and signed USD184.3 billion in new contracts for overseas projects, a rise of 11.3% year-on-year. No new projects were reported in property, sports or entertainment. Outbound investment in 53 economies related to the Belt and Road Initiative stood at USD11.18 billion, accounting for 13% of total ODI, up 4.7 percentage points year-on-year.

TECHNOLOGY

Shanghai sets up data trading platform to stay ahead in technological innovation

上海数据交易中心
SHANGHAI DATA EXCHANGE CORP.

Shanghai is building a mammoth **electronic platform to trade data** such as personal credit records and consumer information, as part of the city's efforts to stay ahead of others at the forefront of technological innovation in China. Keven Tang, Chief Executive of the **Shanghai Data Exchange Corp**, told the South China Morning Post that the company aimed to account for one-third of the national data trading volume by 2020 while helping the city attract more promising technology businesses.

"The overall market size is expected to reach CNY100 billion in 2020, and there is already strong demand for buying and selling data sets now," he said. "We will help companies improve their business efficiency by making better use of the data." The city of Shanghai has been rolling out a series of incentives **to draw tech companies and talent from around the globe** as it seeks to retain its status as China's economic locomotive amid rising competition from other cities. The Shanghai Data Exchange was established in April at the instigation of the city government. It is based in the city's Jing'an district, with the district government providing land for its offices and some of the data for trading.

"Digital businesses are hungry for data and a trading platform is needed," said Cao Hua, Partner at Unity Asset Management. "Shanghai will do more to attract more technology firms in future to promote more digitalized commerce." Big data technology, or analyzing and processing complicated data sets to accurately assess risks of transactions such as in granting credit or spotting consumer demand, is being widely adopted by Chinese e-commerce, fintech and other firms. Tang estimated that in 2017, the total transaction value of data among Chinese businesses could be as high as CNY20 billion.

Shareholders in the exchange include state-owned telecom companies China Telecom and China Unicom and privately owned data service provider Zamplus Technology. The exchange's registered capital is CNY200 million and its clients include financial institutions, internet firms, manufacturing businesses and government authorities. The exchange allows trading of unprocessed base data such as personal information, credit records and figures related to commercial transactions. It uses encryption technology to ensure privacy when data related to consumer behavior and corporate operations are traded. Clients will be exempt from paying a fee to the exchange for the transactions conducted on the platform before the end of 2018.

About 12,000 businesses controlled by Shanghai's municipal government have also pledged to plough **CNY800 billion annually into** industries like **hi-tech manufacturing** in the next five years to help Shanghai regain its status as China's economic juggernaut. Jin Xingming, Director of the Shanghai State-owned Assets Supervision and Administration Commission (SASAC), said that the state-owned enterprises (SOEs) would also become the main force behind technological advances as Shanghai strives to become a global innovation hub.

CHINA NEWS ROUND-UP

Innovative Chinese companies to gain global influence over next decade, says JP Morgan

Nicolas Aguzin, JP Morgan's Chairman and CEO for the Asia Pacific expects China to have at least a quarter of the world's top 500 companies, and account for 20% of global gross domestic product (GDP) within a decade from the current World Bank estimate of more than 14%. He also told the South China Morning Post that its progress in the financial technology (fintech) and consumer sectors would be especially dramatic, with emerging Chinese firms becoming increasingly respected globally for their **quality**

of innovation and creativity. As China's corporate power rises and the country opens up further, JP Morgan has strong "China ambition", said Aguzin.

"My ambition is to be able to participate actively in the Chinese market, to help both Chinese and global clients," he added, revealing that the bank hopes to double the share of its Chinese market revenues in the Asia Pacific to 40%, from the current roughly 15%. Plans are also afoot to offer a "whole portfolio of financial services" to Chinese companies that are eager to grow a global presence, particularly in sharing Chinese innovation in areas such as insurtech (insurance technology), mobile payments, and other types of digital business, Aguzin said.

"**There is a lot of creativity and innovation in China**, a lot of new businesses emerging every day," Aguzin added. "Many have innovative concepts that have not yet been seen in other parts of the world, such as in insurtech." He said his bank's areas of focus will be the technology, health care and consumer sectors, particularly Chinese companies related to artificial intelligence (AI), autonomous tech, and internet banking.

China took a huge step towards internationalizing its financial services sector earlier this month, saying it will now allow foreign firms to own stakes of up to 51% in local securities joint ventures (JV) and fund managers. "Having an entity controlled by a foreign bank is an important step forward, and hopefully we can have a very clear path to 100% ownership," Aguzin told the South China Morning Post.

FDI increases 1.9% in first 10 months

Foreign direct investment (FDI) in China's non-financial sectors grew 1.9% year-on-year between January and October to CNY678.7 billion, the Ministry of Commerce (MOFCOM) said. A total of **26,174 newly funded foreign companies** were established in the first 10 months, up 15.9% year-on-year. Experts said that global investor confidence was strengthened by the country's ongoing supply-side structural reform and other initiatives to further open the economy. The Ministry of Commerce (MOFCOM) abolished a regulation on the review and management of representative offices of foreign businesses in China in September, as well as continuing to urge many domestic businesses to deepen reform and break their monopoly operations.

Even though eastern regions continued to attract most FDI, growth was rising at a much faster pace in landlocked central and western provinces and regions. They attracted CNY50.6 billion in FDI during the 10-month period, surging 47.9% on a year-on-year basis. High-tech manufacturing attracted CNY56.65 billion in FDI from January to October, up 22.9% year-on-year.

Qualcomm invests in nine Chinese startups

U.S. chipmaker Qualcomm said it has invested in nine Chinese startups, including Beijing-based image recognition startup **SenseTime** and Chinese bike-sharing firm **Mobike Technology Co**, as it attempts to create new momentum in key markets. The move is also part of the company's USD150 million strategic investment plan announced in 2014 for China's technology market and came as it further expands into **artificial intelligence (AI) and the internet of things (IoT)** business.

Quinn Li, Qualcomm's Vice President and global head of Qualcomm Ventures, said by providing financial and technical support for the nine companies, Qualcomm aims to help them make further breakthroughs in the fields of AI and IoT. Other startups being backed by Qualcomm include wireless technology provider CreatComm Technology, AI startup Kneron, unmanned convenience store operator Zero Element, virtual reality and augmented reality film and television content provider Magic AI and leading electronic building blocks manufacturer and learning tools provider Microduino. Beijing Acsm Agriculture Consultant, Smart Management Technology Service Co, and Alo7, which offers immersive English learning environment for children, also received additional investment from Qualcomm. The company did not disclose the size of the investment.

Qualcomm also announced it had rejected an unsolicited take-over bid by **Broadcom**.

China moves further ahead of the U.S. in supercomputers

The latest issue of the **World's Top 500 fastest supercomputers** shows that China has the most supercomputers in its history, while the number of U.S. supercomputers is the lowest since the list was first published 25 years ago.

The biannual ranking of the world's 500 fastest supercomputers shows **China's Sunway TaihuLight** at the

National Supercomputing Center in Wuxi, Jiangsu province, successfully defending its title as the top system for the fourth time, with a performance of 93.01 petaflops, followed by China's Tianhe-2. The Sunway TaihuLight – built using **processors designed and made in China** – focuses on weather and climate, astronomy and new energy projects. No 3 is Switzerland's PizDaint, which is also the most powerful supercomputer in Europe. A new system in Japan, called Gyoukou, is No 4, pushing Titan, the top U.S. system, to No 5.

The 50th issue of the ranking also shows that **China has overtaken the U.S. in the total number of systems** by 202 to 143. Just six months ago the U.S. led China, 169 to 160. China is likewise ahead of the U.S. in terms of aggregate performance. China now claims 35.4% of the Top 500 flops, with the U.S. is second at 29.6%.

Analysts expect U.S. supercomputers to move to the top by the end of 2018, as there will be at least three with speeds faster than 150 petaflops, or even 200 petaflops. Moreover, Cao Jianwen, Researcher at the State Key Laboratory of Computer Science at the Chinese Academy of Sciences (CAS), said China still lagged behind the U.S. and Japan in the development of software to run the machines.

China's economic growth slows in October

China's economic momentum broadly cooled last month as the country continues to shift focus from trying to achieve national growth targets towards more sustainable development. About a month ago, Chinese President Xi Jinping did not announce an economic growth target in his speech to the 19th Chinese Communist Party Congress, focussing more on the environment and the quality of growth. Nonetheless, after reporting 6.9% growth for the first six months, China remains on course to report its first full-year acceleration in growth since 2010, despite the government's determination to rein in growth in credits and debt.

Concerns about how the Chinese economy can rebalance remain. A research report by the European Central Bank published earlier this month argued that a "swift rebalancing" of China's economy, with aggressive structural changes, would knock three percentage points off its growth over three years and slow expansion in the euro zone by 0.3 percentage points. "China intends to strike a balance between growth, debt and leveraging," Zhou Hao, Chief Emerging Market Economist at Commerzbank, wrote in a note.

China's fixed-asset investment rose 7.3% in the first 10 months, slowing from 7.5% growth in the year through September. Despite the weeklong national holiday, retail sales growth in October slowed to 6.2% from 6.5% in September. Industrial output expansion also eased to 6.2% in October from 6.6% a month earlier, according to the National Bureau of Statistics (NBS).

Separately, the People's Bank of China (PBOC) announced that new yuan loans totaled CNY663 billion in October, down from CNY1.27 trillion in September, while aggregate financing dropped to CNY1.04 trillion from CNY1.82 trillion. The country's red-hot property market, which has been a major growth driver in previous years but which is also viewed as a major source of financial risk, is cooling. Home sales in October fell 8.6% year-on-year, while housing construction starts dropped 2.9%, the South China Morning Post reports.

Volkswagen and partners to invest €10 billion in green vehicles

Volkswagen will invest more than €10 billion with its joint venture partners SAIC Volkswagen and FAW-Volkswagen in building and developing new-energy vehicles (NEVs) in China over the next eight years, the latest sign that competition for green cars in the world's largest auto market will escalate. VW will introduce a new-energy vehicle portfolio of **almost 40 locally produced models** in China by 2025. "China is leading the way to the final breakthrough in the adoption of e-mobility and Volkswagen Group China is determined to be at the forefront," said Jochem Heizmann, President and Chief Executive of Volkswagen Group China. Volkswagen has also teamed up with Anhui Jianghuai Automobile Group for a third joint venture in China.

Volkswagen's latest investment is expected to stiffen the competition with not only global rivals such as General Motors and Ford, but also domestic brands tapping China's fast-growing new-energy vehicle segment. Earlier this month, **Ford** signed an agreement with Anhui Zotye Automobile to set up a CNY5 billion joint venture focusing on electric cars. Tesla is also seeking to build a factory in Shanghai, and GM China President Matt Tsien said earlier this week that the U.S. carmaker would increase production of electric cars to meet the heightened requirements by Beijing to reduce pollution. U.S.-based Ford says that 70% of all Ford cars available in China will have electric options by 2025. Last week it unveiled a USD756 million investment with its Chinese joint venture to make e-cars.

Volvo also plans to introduce its first 100% electric car in China in 2019.

The Ministry of Industry and Information Technology (MIIT) issued a new rule earlier this year that requires nearly all carmakers to sell a minimum number of new-energy vehicles. Last year, 336,000 NEVs were delivered in China, a 63% jump from 2015, 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

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