Newsletter

11 September 2018

FCCC/EUCBA ACTIVITIES

Seminar: Compliance: a New Challenge for Foreign Businesses in China
Thursday, 20 September 2018 – 12:00 – Ghent

The Flanders-China Chamber of Commerce is organizing a seminar:

Compliance: a New Challenge for Foreign Businesses in China.
Thursday 20 September at 12h00 at Holiday Inn Gent Expo, Maaltekouter 3, 9051 Gent.

Keynote speaker:

Mr. Philippe Snel, founder and managing partner of De Wolf Law, started his China practice in 2001. He has been a member of the Brussels Bar since 1997. Philippe helps foreign investors establish, develop and operate their businesses in China. He mainly advises in the fields of corporate law, compliance and technology transfer.

Most foreign managers in China will tell you that the most important challenges they face today are linked to the increased regulation of their daily operations. This is because Chinese authorities have been clamping down on all sorts of administrative irregularities and code violations.

Factories are being shut for breaching environmental regulations, companies are being fined for failing to fulfill obligations for the overtime work of their employees, foreign employees are denied working permits for failing to meet the required conditions, companies are faced with audits from local tax bureaus , commercial practices are being investigated for alleged breach of anti-bribery regulation, etc...

In many ways, these changes are good for Western companies, but these changes come with challenges. Philippe Snel will be addressing these issues and more.

In particular, he will focus on providing answers to questions frequently faced by the managers in the headquarters about how they should approach such situations when they occur in their China subsidiaries.

Programme

12:00-12:30	Registration & Networking Lunch
12:30	Introduction by Ms. Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce
13:30	Presentation by Mr. Philippe Snel, Managing Partner, De Wolf Law Firm

Practical Information

Location: Holiday Inn Gent Expo, Maaltekouter 3, 9051 Gent.
Parking: Holiday Inn Gent Expo, Maaltekouter 3, 9051 Gent

Price for members: € 65 (excl. VAT)
Price for non-members: € 85 (excl. VAT)

If you are interested in attending, please **subscribe before 17 September 2018 via this link.**

Contact: info@flanders-china.be

Seminar: China and the WTO White Paper Presentation & Opportunities on the Chinese Market – Friday, 28 September 2018 at 9h30 – Tangla Hotel, Brussels

The Embassy of yhe People's Republic of China to the Kingdom of Belgium and the Flanders-China Chamber of Commerce are organizing the seminar:

China and the WTO White Paper Presentation & Opportunities on the Chinese Market
Friday 28 September 2018 at 09h30
Tangla Hotel Avenue E. Mounier 5, 1200 Woluwe-Saint-Lambert, Brussels

The programme is as follows:

9:30-10:00 Registration

Part I
10:00-10:05 Opening Remarks by Mr Guo Jianjun, Economic and Commercial Counsellor, Embassy of the P.R. China in Belgium

10:05-10:15 Brief introduction by **H.E. Mr CAO Zhongming, Designated Ambassador of the People's Republic of China in Belgium**

10:15-10:25 Speech by Belgian side

10:25-10:35 White Paper Presentation by Mr Guo Jianjun

10:35-10:45 Speech by Mr Patrick Van Gheel, Director Federal Public Service Foreign Affairs

10:45-11:00 Coffee break

Part II
11:00-11:40 Panel BCECC (names tbc)

11:40-12:20 Panel Flanders-China Chamber of Commerce
Moderator: Ms Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce
Mr Curd Vandekerckhove, Vice-President Operations, **Bekaert**
Mr Filip Pintelon, Senior Vice-President & General Manager-Healthcare, **Barco**
Mr Lieven Danneels, Owner and CEO, **Televic**
Prof. Dr. Ir. Luc Taerwe, Director China Platform, **Ghent University**

12:20 Walking lunch

Interpretation: English-Chinese simultaneous

Practical Information

Location: Tangla Hotel, Avenue E. Mounier 5, 1200 Woluwe-Saint-Lambert, Brussels

Participation is free of charge
If you are interested in attending, please **subscribe before 25 September 2018** via this link

Contact: info@flanders-china.be

China Mini EMBA+
London – 28-29 September 2018
China – 29 October – 2 November 2018
Paris – 30 November – 1 December 2018

Are you looking to be conversant in both Eastern and Western business worlds – leading with a global perspective and China insight?

As China becomes part of the global ecosystem, innovative business models are being created in China that present significant challenges and opportunities for Western companies, demanding new knowledge, new skills and new networks. Based in London, CKGSB Europe continuously seeks to discover Western executives and entrepreneurs who either lack original China insight or are searching for the right partner with whom to do business successfully with China.

The China Mini EMBA+ consists of three intensive modules (nine days in total) designed to help busy senior professionals gain the latest China knowledge and network with China's globally successful entrepreneurs and companies – our trusted alumni – directly impacting your business performance and activating a results-driven China strategic plan.

Program Dates:

- 28–29 September – London (Friday and Saturday)
- 29 October–2 November – China (Monday to Friday)
- 30 November–1 December – Paris (Friday andSaturday)

Program Fee:

- GBP 9,800 (exc. VAT)
- GBP 8,820 (exc. VAT) – **10% discount to members of the EU-China Business Association**
- GBP 8,820 (exc. VAT) – 10% group discount – three or more participants from the same company

(The program fee includes tuition, teaching materials and selected meals during the program. The cost of travel and accommodation are not covered)

Download the information brochure for more information ...

Application deadline: End of August 2018

For more information, please visit www.ckgsb.eu
To apply please e-mail Jennifer Wang:
jenniferwang@ckgsb.edu.cn

ABOUT CKGSB
Cheung Kong Graduate School of Business (CKGSB) aims to cultivate business leaders with a global vision, a humanistic spirit, a strong sense of social responsibility and an innovative mind-set. Established in Beijing in November 2002 with generous support from the Li Ka Shing Foundation, CKGSB is an independent, non-profit business school.

- 10,000+ alumni of which more than 50% are at the CEO/Chairman level
- CKGSB alumni lead one fifth of China's most valuable brands
- 400+ China-specific cases and reports
- 70+ global academic awards by faculty

More information about CKGSB ...

To find out more about the school, please visit english.ckgsb.edu.cn

European Business Delegation to China – 31 October – 2 November 2018 – Jinan and Weihai

According to the World Intellectual Property Organization, China has just made it into the top 20 of the most innovative countries. To be held in Jinan, the flourishing capital of one of China's most populous provinces, the **2018 Sino-German SME Cooperation and Communication Conference (SMEC 2018)** is a flagship event of the intelligent manufacturing and artificial intelligence community. With the topic "Gather Intelligence for Innovation, Energize Industries for Future", this year's conference provides a platform for experts and professionals in automation and intelligent manufacturing from academia and industry to share ideas and to present the latest scientific and technical advances.

Proposed conference subtopics covered:
- ▶ Intelligent Manufacturing
- ▶ Life Science
- ▶ AI and Big Data
- ▶ Talent Recruitment & HR Development

We hereby cordially invite you to attend the conferences as a member of the **European Business Delegation to China – "Gather Intelligence for Innovation, Energize Industries for Future"** 31 October to 2 November 2018, Jinan (Shandong, PR China)

Please note: The number of participants is limited!

You may apply for your international travel expenses (international flights, accommodation, airport transfer in China) to be covered by the conference organizer in Jinan! Representatives of industry companies will be preferably selected.

As a member of the Delegation, you will be able to gain insights into the most recent developments in the field, meet high-ranking government representatives as well as top-level executive staff of Chinese and European enterprises. As a regional transportation junction, Jinan is conveniently located near the east coast between Beijing and Shanghai, with more than 60 trains per day connecting it with both cities.

Please note that the deadline for registration is **17 September 2018**.

Contact: gwenn.sonck@flanders-china.be

Please make sure your passport has at least one pair of blank facing visa pages and is at least 6 months valid from date of departure.

Visit to Weihai

The Flanders-China Chamber of Commerce (FCCC) and the City of Weihai have a long-term cooperation. Several members have already invested in Weihai, such as Bekaert, Beaulieu and the Huiyin Solar Group.

Weihai is a modern, dynamic city with a population close to 3 million. They are actively looking for new European partners. The city was also classified as one of the top 40 cities with the best investment environment in China. Weihai has a diversified economy, with industrial clusters focused on: automotive, medicine, medical devices, electrical and communication equipment, machinery manufacturing, food processing, textiles, and garments. Weihai is also looking to attract investment in new industries, such as: intelligent equipment, marine bio industry, and the Internet of things (IoT).

The FCCC would be happy to introduce you to leading Weihai companies that are looking for potential business partners. We believe you will be impressed with all the opportunities in Weihai.

"European Enterprises Delegation to Weihai"
Tentative Schedule

Nov. 2 (Friday)
12:11-16:06 Arrive at Weihai by high-speed rail D6079 from Jinan
18:00-20:00 Welcome dinner

Nov. 3 (Saturday)
08:30-09:30 Brief promotion of investment environment in Weihai
09:30-11:30 Visit the Electronic Information and Intelligent Manufacturing Industrial Park, the Medical Devices & Bio-pharmaceutical Industrial Park, Wego Group Industrial Park and Wego Products Exhibition Hall
12:30-14: 00 Lunch
14:00-17:00 Visit Carbon Fiber Industrial Park, Weida-Rehn Machinery Co., Ltd, Marquardt Switches (Weihai) Co., Ltd
18:00-20:00 Dinner

Nov.4 (Sunday)
08:55-10:30 Leave for Beijing from Weihai Airport
For more information, send an email to gwenn.sonck@flanders-china.be

FOREIGN TRADE

U.S. set to impose tariffs on USD200 billion worth of Chinese imports, China to retaliate

U.S. President Donald Trump is set to impose another wave of tariffs of 10% to 25% on USD200 billion of Chinese imports and is already planning for additional tariffs on USD267 billion. If he goes ahead with both waves, all Chinese imports would be hit by tariffs. The public had until September 6 to comment on the USD200 billion measure, which is expected to be approved by Trump in the coming days. “The USD200 billion we are talking about could take place very soon depending on what happens with them. To a certain extent it’s going to be up to China,” Trump said. “And I hate to say this, but behind that is another USD267 billion ready to go on short notice if I want. That totally changes the equation,” he added.

China has announced that it would retaliate. China has already in early August announced tariffs on USD60 billion worth of U.S. goods to be imposed if the U.S. would go ahead with tariffs on USD200 billion worth of Chinese goods. Economic tensions between the two countries were heightened further when official data showed that China’s trade surplus with the U.S. widened to the record level of USD31.05 billion in August. Over the first eight months of the year, China’s surplus with the U.S. has risen nearly 15%.

Donald Trump tweeted that Apple should make products in the United States if it wants to avoid tariffs on Chinese imports. “Make your products in the United States instead of China. Start building new plants now. Exciting!,” the U.S. President said. Apple had told trade officials in a letter that the proposed tariffs would affect prices for a “wide range” of Apple products, watch.

Apple is highly exposed to a trade war between the U.S. and China. It makes many of its products for the U.S. market in China, and it also sells gadgets including the iPhone in China, making them a potential target for Chinese retaliation against the Trump tariffs. The technology sector is among the biggest potential losers as tariffs would make imported computer parts more expensive. “The burden of the proposed tariffs will fall much more heavily on the United States than on China,” Apple said in its letter. The bestselling iPhone is not affected by the current round of tariffs but mobile phones would be covered in the USD267 billion of tariffs Trump suggested might be in the pipeline. Apple said proposed U.S. tariffs on USD200 billion worth of products imported from China will raise prices for some of its popular consumer goods such as the Apple Watch and AirPods headphones. The Mac mini desktop computer, Apple Pencil stylus accessory for iPads, various chargers and adaptors and tooling equipment will also be affected, the Cupertino, California-based company told the Office of U.S. Trade Representative (USTR). Apple generated USD9.6 billion in sales in China in the fiscal third quarter, accounting for 18% of its total revenue in the period.

Intel is supporting Apple’s opposition to the tariffs and broadening the argument. Computer and phone makers are involved in a global supply chain that includes Chinese manufacturing, and that cannot be easily excluded without harm to U.S. companies, Intel said. “Semiconductors are America’s fourth-largest export, and our industry has a global trade surplus of over USD6 billion and a surplus with China of close to USD2 billion in 2017,” Intel’s letter said.

Which U.S. states will be hardest hit by the trade dispute? A Business Insider report predicted that the biggest loser from the trade dispute would be Tennessee, as trade with China accounts for 7.6% of the state’s total GDP, followed by Washington state, California, South Carolina and Kentucky, where 5% or more of state GDP comes from the China trade. The report said 6.39% of California’s GDP comes from trade with China. However, an Assembly Joint Resolution approved by California’s Congress indicated that California does more business with China than any other U.S. state. In 2017, the total trade volume between California and China was USD175.6 billion, accounting for 27.6% of the United States’ trade with China. Meanwhile, California’s exports to China amounted to USD16.4 billion in 2017, accounting for 12.6% of U.S.exports to China.

China pledges USD60 billion in aid and investment to African countries

China has doubled its financial aid and investment pledges to Africa and promised to waive the debt of the continent's least-developed nations. **President Xi Jinping announced USD60 billion in support as leaders from more than 50 African countries met in Beijing** for the Forum on China-Africa Cooperation (FOCAC). The commitment comes on top of another USD60 billion announced at the summit three years ago. Xi said the financing would be in the form of government help as well as investment and funding by institutions and companies. It includes USD15 billion in grants, interest-free loans and concessional loans – three times the amount pledged in 2015. Also promised are USD20 billion in credit lines, a USD10 billion fund for development financing and USD5 billion to finance imports from Africa. Chinese companies were also encouraged to make at least USD10 billion in investment in Africa in the next three years, Xi said.

President Xi Jinping said in his FOCAC summit keynote speech that **China will implement eight major initiatives with African countries in the next three years and beyond**, covering fields such as industrial promotion, infrastructure connectivity, trade facilitation, and green development. On industrial promotion, Xi said a China-Africa economic and trade expo will be set up in China while Chinese companies are encouraged to increase investment in Africa. China will carry out 50 agricultural assistance programs, provide emergency humanitarian food aid amounting to CNY1 billion to African countries affected by natural disasters, and send 500 senior agricultural experts to Africa.

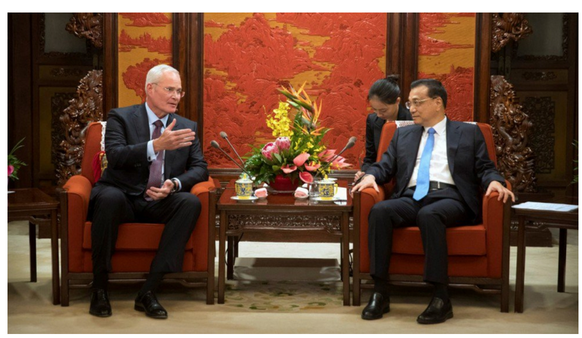
Xi also announced that China would waive the debt of the poorest African countries. In defense of the Belt & Road Initiative (BRI) President Xi said China attached no political strings to its investments in Africa under the initiative; nor did it interfere in the internal affairs of African countries.

"Only the people of China and Africa have the right to comment on whether China-Africa cooperation is doing well," Xi said. "No one should deny the significant achievement of China-Africa cooperation based on their assumptions and speculation." Addressing the summit, Rwandan President and African Union Chairman Paul Kagame said a stronger Africa was an opportunity for investment, "rather than a problem or a threat". "Our growing relationships with China do not come at anyone's expense," he added. South African President Cyril Ramaphosa said the meeting in Beijing "refutes the view that a new colonialism is taking hold in Africa, as our detractors would have us believe". But he added that China and Africa should work towards a more balanced trade relationship.

Risk management will be crucial for any Chinese investment in Africa, Akinwumi Adesina, President of the African Development Bank (ADB) said. He denied that Africa was caught in a debt trap brought on by Chinese spending on infrastructure. There are fears many African nations might struggle to repay the Chinese debt used to build expensive infrastructure projects, allowing Beijing to take control of strategic assets. Adesina said Africa needed infrastructure investment from China to help bridge a financial gap of between USD68 billion and USD108 billion a year for the continent to keep up a development pace similar to China's decades ago, and to be competitive.

FOREIGN INVESTMENT

China to continue welcoming foreign companies, including those from the U.S.



ExxonMobil Chairman and CEO Darren Woods (l) and Chinese Premier Li Keqiang (r)

China will further open up to the outside world and improve its business environment while welcoming foreign companies, including those from the United States, Premier Li Keqiang said when meeting with a delegation from U.S. company ExxonMobil headed by its Chairman and CEO, Darren Woods. **Healthy development of two-way investments between China and the U.S. is beneficial to both sides** as well as to the recovery of the global economy and stable growth of international trade, Li said. Countries should make joint efforts to safeguard trade liberalization and investment facilitation, and China welcomes ExxonMobil to invest in large petrochemical projects, he said.

China will further lower the threshold for market access, treat domestic and foreign companies equally and better protect intellectual property rights, Premier Li said. U.S. companies that have invested in China should be aware that China is a huge market and they have been rewarded with fair returns, the Premier said. The U.S. business community, including ExxonMobil, should expand its investment in China, he added. ExxonMobil, which is ranked ninth on this year's Fortune Global 500 list, started operating in China in 1892 as Standard Oil and has invested USD2.5 billion in China in the past few decades, the China Daily reports.

Premier Li and Darren Woods discussed a USD10 billion plan to build a petrochemical complex and invest in a liquefied natural gas terminal in Guangdong. This is not the first time the Chinese government tries to reassure foreign businesses. In July, Chinese Vice President Wang Qishan met Tesla CEO Elon Musk and in June Chinese President Xi Jinping told American executives from UPS, Pfizer, Cargill, Prologis and Goldman Sachs that China's market would remain open to foreign investors.

CHINA NEWS ROUND-UP

Hong Kong surpasses New York as home to the world's biggest population of ultra-rich people

New York is no longer home to the most ultra-rich people, beaten by the rising tide of extreme wealth in Asia. **Hong Kong surpassed the Big Apple** as the city with the highest population of people worth at least USD30 million, **according to a new report by research firm Wealth-X**. Hong Kong saw the number of ultra-wealthy increase 31% last year, to about 10,000, more than the nearly 9,000 in New York. Tokyo came third, while Paris beat out London to take the European crown as Brexit weighed down the UK capital. The number of ultra-rich worldwide rose 13% last year, according to Wealth-X, totaling about 256,000 people with a combined assets of USD31.5 trillion.

Asia saw the fastest growth, driven by mainland China and Hong Kong. Reflecting the region's rise, its share of the global population of people with at least USD30 million rose to just over one-fourth, up from around 18% a decade ago. "The Asia-Pacific is forecast to close the ultra-wealth gap with other regions over the next five years, but is expected to remain behind Europe, the Middle East and Africa in absolute terms," the report's authors wrote. The number of ultra-wealthy in the Asia-Pacific is expected to rise at a compound rate of 8.3% a year, they said. Women accounted for about 35,000 of the ultra-rich last year, a record-high share of nearly 14%.

While Hong Kong topped the city rankings, no city in mainland China made the top 10, despite the country being third in the list of nations. China's wealthy are widely dispersed, illustrated by the fact it was home to 26 of the 30 fastest-growing cities for the ultra-rich. **"The dynamism of wealth creation across China's vast landscape is nevertheless staggering,"** the authors wrote, as reported by the South China Morning Post.

Alibaba Chairman Jack Ma appoints successor

Alibaba Chairman Jack Ma appointed Daniel Zhang as his successor, effective September 10, 2019, after which date Ma will remain at the company as Director on Alibaba's Board and permanent member of the Alibaba Partnership. During the year-long transition period Ma will remain Executive Chairman. "This transition demonstrates that Alibaba has stepped into the next level of corporate governance from a company that relies on individuals, to one built on systems of organizational excellence and a culture of consistent talent development," Ma said in a letter. "Alibaba was never about Jack Ma, but Jack Ma will forever belong to Alibaba."

Jack Ma (54), one of China's best known corporate leaders, wants to focus on philanthropy and education. He founded Alibaba in 1999 and was Chief Executive until 2013. He is China's third richest person with a net worth of USD36.6 billion, according to Forbes magazine.

Ma maintains a prominent international profile, frequently inviting global leaders to the company's Hangzhou headquarters. Last year, he met U.S. President Donald Trump, who described him as "smart" and "open minded". Alibaba was founded by 18 people led by Ma. China's biggest e-commerce firm now has more than 66,000 full-time employees. Alibaba is Asia's most valuable company, the first to surpass USD500 billion in market capitalization. Ma also controls Ant Financial, which was valued at about USD150 billion after a recent fundraising round.

Successor Daniel Zhang (46) had previously served as Taobao's Chief Financial Officer (CFO), President of Tmall.com and as Alibaba's Chief Operating Officer (COO), before succeeding Jonathan Lu as Chief Executive. Zhang studied finance at the Shanghai University of Finance and Economics. Before joining Alibaba, Zhang served as CFO at Chinese gaming company Shanda Interactive Entertainment and was a senior manager at PwC's audit and business advisory division in Shanghai. Zhang first joined Alibaba in 2007 and played a key role in helping to drive Taobao to profit. Zhang now has his sights set on helping Alibaba further its New Retail strategy and to expand overseas.

China's foreign trade continues its steady growth despite U.S. tariffs

China's foreign trade registered steady growth in the first eight months of this year despite higher tariffs imposed by the United States. China's goods trade went up 9.1% year-on-year to CNY19.43 trillion in the first eight months of this year, the General Administration of Customs said. Exports rose 5.4% year-on-year in the January-August period to CNY10.34 trillion while imports grew 13.7% to CNY9.09 trillion, resulting in **a trade surplus of CNY1.25 trillion, which narrowed by 31.3%**. In August, exports rose by 7.9%, higher than 6% in July. August's data was widely watched as it was the first reading since fresh U.S. tariffs on USD16 billion worth of Chinese imports went into effect on August 23. The move came after additional tariffs on USD34 billion worth of Chinese imports went into effect on July 6. The latest data showed that China's exports have not deteriorated so far.

The country's trade with major trading partners saw an increase during the January-August period. **Trade with the European Union**, its largest trading partner, **climbed 6.2%**, and trade volume with the U.S. and ASEAN countries increased by 5.9% and 11.8%, respectively. Trade with countries along the Belt and Road totaled CNY5.31 trillion, increasing 12% from a year earlier, 2.9 percentage points faster than the average growth rate. Imports in August continued the rapid expansion seen in previous months. In August, imports jumped by 18.8% in yuan terms, slightly lower than the 20.9% rise seen in July. China has been seeking a more balanced trade pattern, with the introduction of a series of pro-import policies, the Shanghai Daily reports.

The Lego Group to accelerate its expansion in China

Toymaker The Lego Group said it plans to accelerate its expansion in China, building on the strong foundation of double-digit revenue growth in the first half of the year. Niels Christiansen, CEO of **Lego**, said that the company **will open two flagship stores in China in the next few months.** One will open in downtown Shanghai in September, and the second will be launched in Beijing in early 2019. The new outlets follow Lego's first flagship store opening in Shanghai's Disney Resort in 2016. To date, Lego has established 36 certified stores via retail partnerships in China. Four opened in Wuhan alone in August. By the end of the year, the company will have up to 60 stores across 15 Chinese cities, with the new stores mostly located in second and third-tier cities.

Lego announced its partnership with China's Tencent Holdings in May, launching its video channel on Tencent's streaming platform. The two companies will roll out a video game product later this year, Christiansen said. Jacob Kragh, Senior Vice President at Lego, said that the company's toys have significant room for growth in China, as Chinese parents attach great importance to the value of learning through play. As long as the toys are associated with education and are designed for children's wellbeing, there is "no limit" in terms of the money that Chinese parents are willing to pay for the toys, he said.

According to Lego's interim results, its Chinese business continued to register double-digit revenue growth in the first half of the fiscal year ended on June 30. Western Europe only reported low single-digit growth, while revenue in North America declined slightly. Lego's turnover in the first half of the fiscal year came in at DKK14.3 billion (Danish krone), down 5% year-on-year. Operating profit declined 4% to DKK4.2 billion, while net profit dropped 10% to DKK3 billion, the China Daily reports.

MIIT shames 30 car firms for not making enough green vehicles

China's Ministry of Industry and Information Technology (MIIT) has publicly named **30 car makers that have not met requirement to produce new energy vehicles** for at least one year, as it pushes for greater adoption of green vehicles to cut pollution and to further its goal of becoming the global industry leader. Companies on the list include **Brilliance Auto, Hafei Motor, Guangqi Honda** – a joint venture between Japan's Honda Motor and Guangzhou Auto – **Changan PSA**, jointly owned by PSA Group of France and Changan Auto – and another Changan joint venture, **Changan Suzuki**, with Japan's Suzuki Motor.

China, already the world's largest market for electric cars, and has spent billions of dollars in subsidies to aid the development of the green vehicle industry, but after widespread cases of fraud it began a crackdown two years ago, including cutting subsidies, raising technical thresholds and tightening investigations. From April this year MIIT imposed a new set of rules that forced car makers to earn credits for various factors including new energy vehicle output – which has to be above 10% of their traditional vehicle output by 2019 and above 12% in 2020 – or face sanctions. The category of new energy vehicles (NEVs) include electric ones, plug-in hybrids and fuel-cell cars. In 2017, China produced 794,000 new energy vehicles and sold 777,000, up 54% and 53% respectively from the previous year.

Last week, Song Qiuling, an official from the Ministry of Finance, said that government support has enabled a rapid growth of the electric car industry, but she also detailed several key challenges, including a structural oversupply, a large quantity of low-quality cars, and a lack of competitiveness among electric car makers reliant on government subsidies. Chinese firms also lagged behind in battery technology, while further pollution was generated by the electricity production needed to manufacture electric vehicles.

On the other hand, **BYD**, China's leading electric vehicle maker, **is aiming to launch its first self-driving cars within three years**, in partnership with internet firm Baidu. Wang Chuanfu, BYD's Chairman and President, said after securing a pole position in the electric car sector, it now plans to focus attention on building intelligent vehicles, or what he described as "super mobile phones on wheels". "As the auto industry makes new cars smarter, great changes will take place in people's daily life," he told a developer conference in Shenzhen. "The new era of intelligent vehicles has arrived and by 2035, they will dominate the streets."

Regional Comprehensive Economic Partnership (RCEP) expected to be set up in November

Key talks on establishing the Regional Comprehensive Economic Partnership (RCEP) – the world's largest economic bloc covering almost half of the global economy – are expected to be held in November in Singapore. The United States has decided not to attend the summit, which may provide extra impetus for **China and 15 other nations** to agree to set up the bloc. It would involve the 10 members of the Association of Southeast Asian Nations (ASEAN) plus China, India, Japan, South Korea, Australia and New Zealand, which means it would cover countries that have wildly different levels of economic development. This could still derail the deal, as well as the fact that Australia, India and Indonesia all face important elections next year.

Tensions between some of the participating countries are also rising, such as those between China and Australia, which sees China's efforts to exert its influence in the Asia-Pacific region as a form of "bad governance". India has some concerns about the partnership, especially regarding the liberalization of its services sector and a possible increase of its trade deficit with China. On the other hand, the successful conclusion of the partnership would help offset the impact of U.S. President Donald Trump's protectionist trade policies.

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

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Mr. Philippe Van der Donckt, Director Government Affairs Asia, NV UMICORE SA

Membership rates for 2018 (excl. VAT)

- SMEs: €405 (€490.05 incl. VAT)
- Large enterprises: €1,025 (€1,240.25 incl. VAT)

Contact

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