法兰德斯中国商会 FCCC VCKK

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

Newsletter
23 October 2018

FCCC/EUCBA ACTIVITIES

Roundtable Meeting with the Mayor of Weihai and his delegation – 7 November 2018 – Ghent

The Flanders-China Chamber of Commerce and the Government of Weihai are organizing a roundtable meeting with the **Mayor of Weihai, Mr Zhang Haibo** and his delegation. This meeting will take place on 7 November at 16h00 at the City Hall, Botermarkt 1 in Gent.The Mayor of Weihai will offer insights on the economic environment and opportunities for partnerships in the Zone. Several of our members, already have major investments in Weihai such as Bekaert, Beaulieu Technical Textiles and Beaulieu Fibers & Yarns. During this session, Bekaert will also share its experiences of investing in Weihai.

The mayor will be accompanied by leading Weihai business leaders who are eager to set up new partnerships with Belgian companies. The list of delegates and their company profiles can be downloaded via this link http://bit.do/eznjf. Weihai City is a coastal city in Shandong province. The city 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).

During this session, the Weihai Government and the Flanders-China Chamber of Commerce will sign the renewal of their cooperation agreement. The City of Weihai and the City of Ghent have a sister city agreement.

Programme

15h30	Registration
	Welcome by Mr Luc Kupers, Deputy General Manager, City of Ghent
16h00	Introduction by Ms Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce
16h15	The Weihai industrial and investment environment by the **Mayor of Weihai, Mr Zhang Haibo**

16h45	**Experiences investing in Weihai** by **Mr Zhu Hongzhen**, Customer Excellence Change Agent RR Global, **Bekaert**
17h15	Signing of the renewal of the cooperation agreement between the Weihai Municipal Bureau of Commerce and the Flanders-China Chamber of Commerce Question and answer session Networking reception hosted by the City of Ghent

The participant list and company profiles can be downloaded at the following link: http://bit.do/eznjf

Practical Information
When: Wednesday, 7 November 2018 - 15h30
Location: City Hall, Botermarkt 1, Gent – Parking: Vrijdagmarkt
Deadline for subscription: 5 November 2018
Participation fee:
free for FCCC members
for non-members € 45 (excl VAT)

If you are interested in attending this event, please register online by 5 November 2018 via this link

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Workshop: Negotiating with the Chinese: Cultural Roots & Practical Recommendations 19 November 2018 – Hasselt

The Flanders-China Chamber of Commerce and the VKW Limburg have the pleasure to invite you to the workshop: **'Negotiating with the Chinese: Cultural Roots & Practical Recommendations'**, which will take place on **19 November** and starts at 12h00 at VKW Limburg, Kunstlaan 16 3500 Hasselt.

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

12u00-12u30 Registration and lunch
12u30-12u35 Opening Remarks by Ms Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce
12u35-13u20 China vs West: different cultural negotiating models
13u20-14u00 Chinese cultural roots and elements to shape the negotiating skills
14u00-14u15 Break
14u15-15u00 Strategies that lead you to a better negotiation outcome
15u00-15u15 Q&A + group discussion
15u15-16u00 Networking

Experiences of previous participants:

"Remarkable was the enthusiasm and fighting spirit of the speaker. Through the experiences of the lecturer as a teacher, everything was very understandable and clear. There was a lot of interaction in the group through which allowed us to know the experiences of others."

Another quote from **Christian De Cartier,** M&A Director of Ontex Group:

"A very interesting workshop that covered some fascinating topics! I would recommend it!"

Peter Cannaerts, Purchasing Manager of Agfa Graphics:

"A very dynamic speaker and a very interesting workshop where the diversity of the group was a big advantage. In addition to the speakers information and tips, we could learn through the experiences of each participant.

Practical Information
Location: Kunstlaan 16, 3500 Hasselt
Price for member: € 180 (excl. VAT)
Price for non-member: € 240 (excl. VAT)

Register following **this link**

PAST EVENTS

Meeting with the new Chinese Ambassador in Belgium – 23 October 2018 – Brussels

From left to right: Chinese Embassy in Belgium: Mr Guo Jianjun, Counsellor Economic and Commercial; Mr Zhou Zhaoming, Counsellor Economic and Commercial; HE Mr Cao Zhongming; Mr Stefaan Vanhooren, Chairman FCCC, President Agfa-Graphics; Ms Gwenn Sonck, Executive Director FCCC, Mr Johan Verstraete, Board Member FCCC; Mr Johan Verstraete, Vice-President Weaving Machines - Marketing, Sales & Service

The Flanders-China Chamber of Commerce (FCCC) organizied **a reception with the new Chinese Ambassador in Belgium, H.E. Mr Cao Zhongming** on **23 October, 2018 at** ING **in Brussels.**

Mr Stefaan Vanhooren, Chairman, Flanders-China Chamber of Commerce, presented the Ambassador, followed by the keynote speech by **H.E. Mr Cao Zhongming**, Ambassador of the People's Republic of China in Belgium.

An exchange of views and networking with the new Ambassador concluded the event.

Opportunities to Finance your Business with China – 23 October 2018 – Brussels

The Flanders-China Chamber of Commerce organized an information session on **Opportunities to Finance your Business with China on 23 October 2018 at Umicore in Brussels. E**xperts presented information on available investment funds and financial support when expanding your business to China.

Following an introduction by **Ms Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce, **Mr Rik Daems**, Chairman, China-Belgium-Direct Equity Investment Fund gave a presentation on ”Different Investment Vehicles for Belgian Companies investing in China and Chinese Companies investing in Belgium or in Europe”. **Mr Jos B. Peeters**, Managing Partner, Capricorn Venture Partners talked about “Capricorn-Scorpio: Equity & Support for China roll-out". "Support from the SME Growth Portfolio" was presented by **Mrs Benedicte De Buck**, SME Growth Portfolio, Project Adviser, Agency Innovation and Entrepreneurship, VLAIO, and “Securing/Financing your exports to China” by **Mr Frank Haak**, Head GTS Sales Belgium, BNP Paribas Fortis.

Mr Wim Bosman, Business Development Specialist, Marketing and Communication from Credendo, Export Credit Agency, gave a presentation on “Exporting to China? Investing in China? Support by Credendo", followed by “Subsidies to Promote International Business” by **Mr Yves Roekens**, Head Financial Incentives Flanders Investment & Trade. The final speaker, **Mr Jan Holthuis**, Lawyer, Buren, talked about “Financing of Sales Offices in China”.

A question and answer session and networking lunch concluded the event.

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FOREIGN TRADE

U.S. President continues to threaten imposition of more tariffs

U.S. President Donald Trump threatened to impose another round of tariffs on China and claimed that Chinese meddling in U.S. politics was a "bigger problem" than Russian involvement in the 2016 election. In an interview with CBS's "60 Minutes" he also compared China's stock-market losses since the tariffs were first imposed to those in 1929 at the start of the Great Depression in the U.S. "I want them to negotiate a fair deal with us. I want them to open their markets like our markets are open," Trump said in the interview, while adding that more tariffs "might" be in the mix. So far, the U.S. has imposed three rounds of tariffs on Chinese imports totaling USD250 billion, prompting China to retaliate against American products. Trump has previously threatened to hit virtually all Chinese imports with duties.

The U.S.-China trade war's worst effects will be felt over the long-term and could slow China's ability to continue the strong pace of development it has enjoyed in recent decades, according to the International Monetary Fund's former Representative in Hong Kong. Shaun Roche, currently Chief Asia-Pacific Economist at Standard & Poor's Global Ratings, said analysts tended to overestimate the short-term impacts of the conflict while underestimating its long-term effects. Speaking on the sidelines of the International Monetary Fund's annual meetings in Bali, Roche said the short-term economic "headwind" for the Chinese economy created by the tariffs could be "easily offset" by a loosening of monetary policy and depreciation of the yuan exchange rate. It would be more difficult for the Chinese government to offset "the restrictions put on Chinese firms regarding their investment in the U.S., and other matters that slow the technology transfer from the U.S, Europe and Japan into China", he said. Roche warned the slowing of technology transfer may undermine the whole basis of how China had grown in past decades – adapting and innovating based on foreign technologies – which could significantly erode its growth potential in the future. Still, Roche believes there are plenty of things the Chinese government can do to resolve the trade conflict and avoid the long-term negative consequences.

Chinese government officials are referring to **"competitive neutrality" as a new catchphrase to defend the country's state-owned firms** at a time when the United States and the European Union are complaining that they distort competition. Chinese officials argue that there could be a level playing field between state, private and foreign firms in China. However, China's major trading partners are not convinced. The idea of "competitive neutrality" is promoted by the Paris-based Organization for Economic Cooperation and Development (OECD). It involves companies of different ownerships being able to compete fairly through improved transparency in policies, to ensure equitable treatment in areas such as subsidies, taxes, trade instruments such as tariffs, and other support mechanisms, and reforming them where they unnecessarily distort competition, the South China Morning Post reports. About 80% of the Chinese companies in the top 500 global companies ranking are SOEs.

China has no interest in depreciating its currency as a tool, People's Bank of China (PBOC) Governor Yi Gang said. "We have considerable space for using monetary policy tools, including interest rates and reserve requirement ratios. These tools are available to deal with uncertainties."

President Xi Jinping reaffirmed China's stance on supporting free trade and economic globalization while meeting in Beijing with a British delegation led by Stephen Perry, Chairman of The 48 Group Club, a British organization composed of company leaders promoting Britain-China trade. The 48 Group Club now has more than 500 members.

The Trump administration avoided a major escalation in the trade war with China after the **Treasury Department said in a report that Beijing was not intentionally devaluing its currency**. Still, Treasury Secretary Steven Mnuchin sent a warning about the lack of transparency and the relative weakness of China's currency, the renminbi. "Those pose major challenges to achieving fairer and more balanced trade, and we will continue to monitor and review China's currency practices, including through ongoing discussions with the People's Bank of China," he said.

The U.S. China trade war has so far not affected China's investments abroad. China's non-financial outbound direct investment totaled USD82.02 billion in the first nine months of this year, up 5.1% from a year earlier. China directly invested in 4,597 overseas companies in 155 countries and regions throughout the world in the first nine months, according to the Ministry of Commerce (MOFCOM). Cross-border mergers and acquisitions (M&As) also posted steady development, with 265 M&As by Chinese companies completed year-to-date and the total actual transactions reaching USD43.3 billion.

The People's Daily argued in a commentary that the trade conflict would have little impact on the nation's current or future prospects. The country's rise did not depend on the U.S., and China was a "super large" country that could thrive on its own. Readers were urged not to lose faith in the country's prospects.

Chinese President Xi Jinping and U.S. President Donald Trump have tentatively agreed to meet on November 29, prior to the G20 leaders' summit in Buenos Aires, Argentina.

VIP VISITS

Chinese Premier Li Keqiang visits Belgium and the Netherlands, attends ASEM Summit

Premiers Li Keqiang (left) and Charles Michel (right)

Chinese Premier Li Keqiang completed visits to Belgium and the Netherlands. China and the European Union have made progress in negations to conclude a bilateral investment treaty (BIT), Li said when meeting the press alongside Belgian Prime Minister Charles Michel in Brussels. Li also discussed accelerating BIT negotiations with EU leaders at the 12th Asia-Europe Meeting summit. "The treaty will help China and the EU further open to one another," he said. China is ready to ease market access for investors from Belgium and provide them with the same treatment as local businesses, the Chinese Premier said. He added that **China is willing to further enhance cooperation with Belgium in innovation and high-technolog**y. Cooperation in technology and innovation as well as safe use of nuclear energy were among the topics of talks between Li and Michel. "We believe that advanced technologies from Belgium will have great market potential in China, and China will give strict protections to intellectual property," Premier Li said. "China is now working on the procedure of lifting the ban on imports of beef from Belgium, and we will accelerate the process," Li said. "We are ready to expand imports of high quality agriculture products from Belgium." Premier Charles Michel said that Belgium is willing to enhance cooperation with China in areas of agriculture, energy, infrastructure and connectivity.

Premier Li also visited the Netherlands. In a joint press conference with Dutch Prime Minister Mark Rutte, Li said that China will further expand its market access in manufacturing and financial and other services to worldwide investors. **Agreements worth close to USD10 billion were signed** during the visit. Li said that some European companies have already benefited from China's new opening-up efforts in easing equity share limits in basic manufacturing industries. China is willing to further cooperate with the Netherlands in agriculture, manufacturing and services. Calling the graying of the population a challenge facing both countries, Li said China is ready to learn from the experiences of the Netherlands and expand cooperation with the country in taking care of the elderly, as well as in clean energy and urbanization. Premier Li also called to jointly protect multilateralism and free trade. "Without free trade, there is no such thing as fair trade. And free trade cannot be sustainable without fair trade," Li said. He told Premier Rutte that China is willing to strengthen coordination with the Netherlands on reform of the World Trade Organization (WTO), the China Daily reports. It was the first trip by a Chinese Premier to the Netherlands in 14 years.

Lithium Werks, a Dutch battery start-up which makes rechargeable lithium iron phosphate batteries, agreed to build a 1.6 billion euro plant in China's Yangtze River Delta region. The plant will be the company's second in China and will be able to produce batteries with 500 GWh storage capacity per year by 2030. Royal Dutch Shell and China National Offshore Oil Corp (CNOOC) also signed a deal to develop a third-phase project valued at billions of U.S. dollars. The two operate a joint venture at the Nanhai petrochemicals complex in Huizhou in Guangdong Province. Xiamen Airlines and KLM Royal Dutch Airlines intensified their partnership with a memorandum of understanding (MOU) on maintenance worth CNY2.8 billion. ING and the Bank of Beijing signed an agreement on setting up a joint venture retail bank in China worth CNY3 billion, with the Dutch side holding a 51% stake.

The Netherlands is China's second-largest trading partner in the European Union. Bilateral trade volume between the two countries reached USD78.38 billion in 2017, an annual increase of 16.5%.

Premier Li also attended the 12th Asia-Europe Meeting (ASEM) Summit in Brussels. Launched in 1996, the ASEM Summit is a venue for dialogue between Asian and European countries. The theme of this year's summit was "Europe and Asia: Global Partners and Global Challenges". Asian and European countries should work together to play a guiding role in protecting multilateralism and to build an open global economy, Premier Li Keqiang said at the Summit.

EXPAT CORNER

Some foreigners can now more easily apply for local credit cards in Shanghai

In the past, Banks in Shanghai usually turned down applications from foreigners to obtain a local yuan-denominated credit card. Foreign card applicants needed to produce a lot of paperwork, such as proof of property ownership, employment contracts and tax receipts. The process was long and slow, and it usually didn't end up with credit card approval. Many expats have also found that credit cards issued by banks in their home countries don't work in Shanghai, or, if they do, cardholders need to pay foreign-currency exchange fees. Now, **the Bank of China's Shanghai branch is offering yuan credit cards to foreigners with Type A work permits**, which are given to top foreign professionals.

The Shanghai Administration of Foreign Experts Affairs recently joined hands with the bank to launch a special "fast-track" pilot program to streamline credit card applications for high-end foreign talent in the city. The Bank of China, located in the historical building at Bund 23, is an ideal partner for the program because it is the nation's most international bank. **There are nearly 90,000 foreigners in Shanghai with work permits. Of those, about 13,000 are Type A permits.** To date, 30 foreigners have successfully used the program to obtain local credit cards. Feng Yanrong, Senior Manager of the bank's Banking Department, admitted to Shanghai Daily that local banks are cautious about issuing credit cards to foreigners because expats usually live here temporarily, which presents a repayment risk. "If foreigners leave China and fail to repay credit card debt, it's very difficult or sometimes impossible for us to collect," she said. In the past her bank has issued credit cards to only a handful of foreigners, mostly top executives who are considered small risks.

Under the pilot program to apply for a local credit card, only a valid passport, a residency permit valid for a year or more, and a Type A work permit are required. The application process has also been shortened to about two weeks. Andres Ruiz-Linares, 57, Professor of Genetics at Fudan University, was the first to receive a yuan credit card from the bank under the program. Manager Feng said the trial program may be extended to other classes of foreigners following an evaluation. The Shanghai Administration of Foreign Experts Affairs said it also might be expanded to other banks, the Shanghai Daily reports.

CHINA NEWS ROUND-UP

Hainan to become pilot free trade zone (FTZ)

China released a plan to build Hainan into a pilot free trade zone – including substantial relaxation of market access for foreign companies and upgrading of trade facilitation – to create a gateway for opening up toward the Pacific and the Indian oceans. The China (Hainan) Pilot Free Trade Zone will cover the whole island of Hainan. The government plans to make the zone **an international tourism and shopping center**, as well as offer services and support for development of the Belt and Road Initiative (BRI). Wang Shouwen, Vice Minister of Commerce, said that the island, which covers 35,400 square kilometers, will be granted more autonomy to enact reforms and speed the development of a law-based, international and convenient business environment.

Hainan's FTZ will adopt preentry national treatment and negative list management to increase openness, especially in areas like seed production, healthcare, telecom, internet, aviation, marine economy and new energy vehicle manufacturing. It will abolish stock ownership limits for foreigners in vegetable breeding and seed production. It will transfer the power to approve foreign investment in value-added telecommunications services from the central government to Hainan province. In addition, it will allow foreign companies to hold up to a 51% ownership in life insurance companies and remove foreign share restrictions in vessel and general aircraft design, manufacturing and maintenance. A free trade port will also be developed in Hainan. Not counting Hainan there are 11 pilot FTZs.

Subsidies for China-Europe freight trains to be cut

The Chinese government is evaluating China-Europe freight train routes to fend off risks from price competition and **local government subsidies**, which **are expected to be reduced by 10% a year starting from 2018**. Government subsidies for the China-Europe freight trains should be capped at 50% compared to domestic railway costs, and subsidies are expected to be reduced by 10% a year compared to the 50% level in 2018, according to the Ministry of Finance. "While fruitful results have been achieved with much policy support from the Belt and Road Initiative, more efforts are needed to improve the efficiency of operation, prevent the blind expansion of railway routes and lower operating costs," said Ning Jizhe, Deputy Director of the National Development and Reform Commission (NDRC).

Launched in 2011, the China-Europe freight train service has witnessed rapid expansion in recent years backed by strong policy support, as many destinations are linked to the Belt and Road Initiative. A number of cities in southern and central China have been connected to 34 European cities, from Chongqing to Duisburg in Germany and Xiamen to Budapest in Hungary. A route to Antwerp has also been put into service. More routes are expected to be opened in the next three to five years, such as trains to Turkey, Vietnam and Cambodia. The trains to Europe take around 15 to 18 days to reach their destination, helping exporters save time compared to sea voyages that often take twice as long.

"It is a good idea to provide subsidies during the early stage of development, but in the end these projects should be operated on market-based principles," said Xiao Zhiqiang, Chief Engineer of Shanxi Energy and Traffic Investment Co. Since 2011, more than 11,000 train trips carrying 920,000 metric tons of goods connecting China and 15 European countries have been made, the China Daily reports.

Xi Jinping promises to protect China's private businesses

Chinese President Xi Jinping has written an open letter to the country's private business owners, saying the government will continue to value and protect them to ensure a "better tomorrow". To boost the confidence of China's private entrepreneurs at a time when economic growth has slowed to 6.5% in the third quarter, the lowest level since 2009, Xi said the government fully recognized the role of private enterprises and the Chinese Communist Party would continue to support their development. The letter said the private sector's historic contribution to the country's development was "indelible" and "should not be doubted". **"Any words or acts to negate or weaken the private economy are wrong," Xi wrote.** "It is always a policy of the Central Committee of the Communist Party to support private business development, and this will be unwavering," he continued.

The letter contained some of Xi's warmest remarks about China's private companies. Although they enjoy the same legal status as state-owned enterprises (SOEs), in practice they are often treated as second-class corporate citizens when it comes to obtaining support from the state banking system, while the state sector is often given preferential treatment by the government. Last month, on a tour of the country's northeastern rust-belt region, Xi offered similar support to state-owned enterprises (SOEs), saying attempts to "bad mouth" China's state sector were wrong, but adding that the government would continue to support private businesses.

Vice Premier Liu He admitted that discrimination against private borrowers was not uncommon at state-owned financial institutions. "Some staff believe that it's always safe to lend to state-owned enterprises but it's politically risky to lend money to private businesses – they would rather be doing nothing than committing any political mistakes. Such views and practices are completely wrong. Without private enterprises, the entire economy cannot achieve stable development," Liu said. After four decades of development since 1978, China's private economy contributes over 50% of tax revenue, 60% of GDP, 70% of technological innovation, 80% of urban employment, and 90% of newly created jobs and companies.

MIIT Minister projects USD14 billion domestic market for intelligent, connected cars by 2020

China is expected to have a CNY100 billion market for intelligent connected vehicles by 2020, according to Industry and Information Technology Minister Miao Wei. "Intelligent connected cars are set to become a vital means in reducing traffic casualties, road congestion and energy consumption," Miao said at **the World Intelligent Connected Vehicles Conference in Beijing**. China is focusing on the development of connected cars as it holds the prospects for a "new era" for cars. Car manufacturers, service providers and industry institutions from around the world are welcome to take part in the country's efforts, he said. Miao's projection underscores China's efforts to gain leadership in developing next-generation cars with autonomous driving and internet connectivity. China expects one in every two new cars sold to be equipped with smart and at least partial autonomous functions by 2020, according to a guideline by the National Development and Reform Commission (NDRC).

The booming smart car industry has attracted not only traditional carmakers but also technology companies, such as Baidu, which is testing self-driving vehicles in real-world conditions and building interactive car operating systems. The first fully self-driving bus developed by Baidu has reached over 10,000 kilometers mileage with no accidents, Chairman Robin Li said at the conference. In July, Nasdaq-listed Baidu announced that its first 100 self-driving buses had been built and would be put into use in cities including Beijing, Xiongan, Shenzhen and Tokyo.

"Smart connected cars are becoming the intersection of many innovative fields," Tencent Holdings Chairman Pony Ma said in his speech at the conference. "The development of artificial intelligence, the industrial internet, 5G, smart manufacturing, use of new energy and intelligent transport and smart city management are all waiting for the car industry to become a breakthrough point and for smart, connected cars to be the common vehicle for these innovations." Tencent is also working on building a voice-operated version of its WeChat messaging app into cars that can also enable real-time navigation and the sharing of geographic location. Tencent earlier this year announced an "all-in" strategy for cars, tying up with carmakers including BMW, FAW and Geely. Alibaba Group has separately signed partnership with Ford, SAIC Motor and Volvo, the South China Morning Post reports.

Small China e-commerce firms to be hit hard by U.S. withdrawal from Universal Postal Union

Small Chinese e-commerce businesses will suffer most from the U.S. decision to withdraw from the Universal Postal Union (UPU) that sets global postal rates, with some likely to struggle to survive, company representatives said. The effect on larger e-commerce companies may be limited because many have developed their own logistical networks to deliver products to customers. The White House announced that the U.S. would start the year-long process of quitting the 144-year-old UPU. The U.S. claims the global rates set by the UPU for certain developing countries like China gives them an unfair trading advantage. For instance, it costs about USD20 to mail a 2 kg parcel from one U.S. state to another, but mailing the same package from China costs only USD5.

If the Trump Administration sets its own "self-declared" postal rates, small packages sent from China to the U.S. through the postal system would face much higher rates, adding significant costs to small Chinese cross-border firms selling products on U.S. e-commerce platforms like Amazon and eBay.

In its 2017 annual report, Global Top E-Commerce, a Chinese-listed cross-border retail firm, said **70% of packages shipped by Chinese cross-border exporters are delivered through the postal system** using UPU-dictated rates. However, the impact on Global Top E-Commerce will be limited since it has built its own logistics system. Only 5% of shipments to the U.S. sent by Shenzhen Globalegrow E-commerce Co, Global Top's wholly-owned subsidiary and principal income source, go through the U.S. postal system. The other 95% flows through the company's own logistics network, which includes 61 overseas warehouses in more than 200 countries, the South China Morning Post reports.

"We regret the U.S. decision to withdraw from the Universal Postal Union," Foreign Ministry Spokesman Lu Kang told a regular press briefing in Beijing. "China has been calling for and upholding multilateralism and actively supporting the UPU. We will continue working with all sides to make our contribution to the development of the global postal service," he said.

China is the 28th most competitive economy, according to the World Economic Forum

The World Economic Forum (WEF) released its latest global competitiveness report, crowning the United States the world's most competitive economy for the first time in a decade. **China was 28th on the list,** down one slot from last year. The WEF looked at 140 economies based on 98 wide-ranging social, political and economic factors. Economies were given scores out of 100. The U.S. took the top slot with a score of 85.6, buoyed by its capacity for innovation, evident in its high scores in business dynamism and entrepreneurial culture. The report also highlighted the nation's strong labor market and financial system. In second place was Singapore (83.5), heralded for its infrastructure and openness as a global trading hub, followed by Germany and Switzerland, which was the top-ranked economy last year. Hong Kong placed seventh, down one place from last year, with Taiwan in 13th place, up two slots. Russia and China were the only emerging markets that placed in the top 50. Russia ranked 43rd, while India was 58th.

But the authors warned that the US economy was under threat from a "weakening social fabric," corruption and security and IT issues. It also pointed out that the United States was far behind most advanced economies in health, with life expectancy six years behind competitors Singapore and Japan, which ranked fifth on this year's list. Regionally, more countries in East Asia and the Pacific were ranked as more competitive than European countries.

The WEF adapted the report, which it has put out for 40 years, to account for the importance of technology as an economic driver in the modern era, which WEF refers to as "the Fourth Industrial Revolution".

First private research university inaugurated in Hangzhou

China's first private research university was officially inaugurated in Hangzhou in a move expected to push forward national higher-education reform. Nobel Laureates including James Watson, Jean-Marie Lehn, Brian Kobilka and Fraser Stoddart, and more than 70 representatives of domestic and overseas universities attended the founding ceremony of Westlake University in Hangzhou, capital of Zhejiang province. Schools of natural science, engineering and life sciences are located on a campus that can hold 120 independent laboratories and 2,000 research fellows. Another campus to be completed in 2021 will accommodate 300 labs and 3,000 doctoral students. It will be the first private university allowed to grant doctorates.

The university aims to be a frontrunner of China's higher-education reform and a world leader in frontier technology, Westlake University President Shi Yigong, Biologist and former Vice President of Tsinghua University in Beijing, said. "We expect that the university will be a new research university that attracts world attention in 10 or 20 years, and advances human progress and world civilization in its own way," he added. The university's president and professors will be given maximum freedom in management and teaching.

Westlake University gets financing from the private Westlake Education Foundation, supported by leading business executives including Tencent Holdings Chairman Pony Ma and Wanda Group Chairman Wang Jianlin. Its fundraising model was borrowed from universities such as Harvard and Yale, which are partly supported by social funds and by alumni, the Global Times reports.

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

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