Newsletter

30 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**

Briefing: Growing European businesses in China in the face of international trade conflicts – 26 November 2018 – 15h30 – The Conference Board, Brussels

The Flanders-China Chamber of Commerce and The Conference Board are organizing the briefing: **'How leading European companies are growing their China business in the face of international trade conflicts'.**

This briefing will take place at The Conference Board, 178 Chaussee de la Hulpe on **Monday, 26 November 2018, at 15h30 in Brussels** and will conclude at 18h00**.**

During the Briefing, a selected group of senior executives will discuss:

- Global Economic Outlook: On Top of the World, Looking Over the Edge
- How international conflicts are changing the west's business model in China – and how to win?

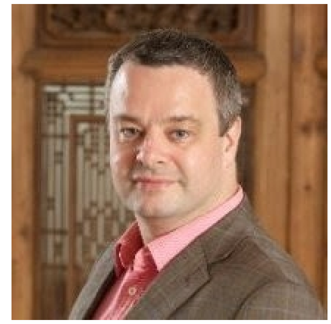
The meeting will include presentations of the latest research and analysis by The Conference Board, facilitated by **Dr. Bart van Ark**, EVP, Chief Economist and **Leo Austin**, Principal Advisor to The China Center for Economics & Business.

The meeting will be conducted according to Chatham House Rules.

The participation fee for this event is:
Members of the FCCC: **€75** (Excl. VAT)
Non-members of the FCCC: **€95** (Excl. VAT)

If you are interested to participate in this session, please subscribe before 21 of November 2018 via this link

Dr. Bart van Ark



Leo Austin

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FOREIGN TRADE

Meeting between Trump and Xi in Buenos Aires not expected to lead to breakthrough

U.S. President Donald Trump and Chinese President Xi Jinping may have agreed to meet in the margin of the G20 Summit in Buenos Aires on November 30, but analysts **doubt that their meeting would lead to a breakthrough** in the trade war between the two countries. According to insiders, the White House is considering excluding trade from the agenda of the meeting. Some of Trump's trade advisers do not want to engage with China

on trade until Beijing shows it is serious about addressing the U.S.'s list of negotiating demands. Meanwhile, Chinese officials complain that they are not sure who they should be working with in the Trump administration.
White House Economic Advisor Larry Kudlow told the Financial Times that Beijing had offered no sign that it was willing to meet U.S. demands in a way that could defuse tensions ahead of the meeting between the two presidents. Kudlow said the U.S. had given China "a detailed list of requests" but "the problem with the story is that they don't respond. Nothing. Nada".

Some analysts expect that China will ultimately win the trade war as it holds all the key economic cards. China's solid external position, its pivotal U.S. Treasury holdings and plentiful policy options to fall back on give Beijing a strong hand over the U.S. if China plays its cards right. Beijing could slash interest rates, unleash a weaker yuan and dump U.S. Treasuries in the open market. The U.S. might be buzzing with strong growth and full employment, but weak economic links remain. America's twin black holes – the large budget and trade gaps – are getting worse not better, complicating its future policy choices. China keeps racking up bigger trade surpluses over the U.S. The latest data showed a USD34.1 billion trade gap with China in September, a rise of nearly 20% from a year ago, with no sign of improvement. The underlying trend is still rising with the annual U.S.-China trade deficit heading to over USD400 billion, nearly double what it was a decade ago.

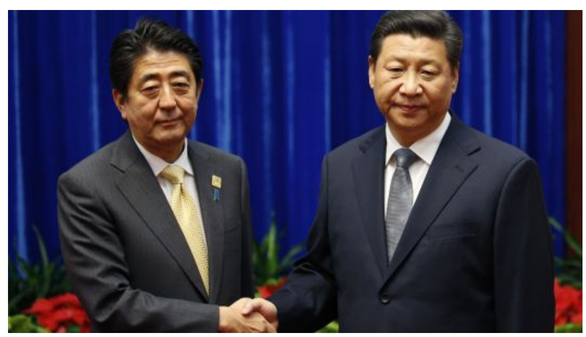
The U.S. Treasury may have concluded last week that China hasn't been deliberately weakening the yuan, but it is "concerned" about its depreciation. These concerns are unlikely to abate. Markets may decide substantive arguments remain both for U.S. dollar strength and also specifically for continuing yuan weakness.

The U.S. trade deficit with China, which has ballooned since 2001, **is responsible for the loss of millions of American jobs**, according to a new study by the Washington-based **Economic Policy Institute**. More than 3.4 million U.S. jobs have been eliminated since Beijing joined the World Trade Organization (WTO) 17 years ago and has added over USD100 billion to the trade deficit since 2008. About 1.3 million of the job losses have occurred in the last 10 years. The development "has contributed heavily to the crisis in U.S. manufacturing employment", according to the report. It said the job losses have been concentrated in the manufacturing sector, including industries in which the U.S. has traditionally held a competitive advantage. The trade deficit with China has cost jobs in all 50 states and in every congressional district, and grew the most in the computer and electronic parts industries, the report said. Other hard-hit sectors include apparel, electrical equipment and appliances. The researchers said "the U.S.-China trade relationship needs to undergo a fundamental change".

Profit growth in China's industrial enterprises slowed for the fifth month, weighed down by sluggish production and sales, as the economy faces mounting headwinds from the trade war with the United States. China's industrial profits rose 4.1% in September from a year ago to CNY545.5 billion, slower than the 9.2% increase in August. China's economy, which expanded in the third quarter at its slowest pace in a decade, is likely to slow further in the coming months, as the ongoing trade war with the U.S. takes its toll, according to Moody's Analytics.

VIP VISITS

30 infrastructure projects announced during Japanese Prime Minister Shinzo Abe's visit to China



In a sign of improving relations, **Japanese Prime Minister Shinzo Abe visited China, the first visit by a Japanese Prime Minister since 2011**. Together with Chinese President Xi Jinping, he announced 30 joint infrastructure projects related to the Belt and Road Initiative (BRI).

China and Japan also signed 12 intergovernmental agreements, including one on a bilateral currency swap of CNY200 billion. The swap agreement aims to safeguard the financial stability of both countries and will be valid for three years. Another agreement was signed to set up a renminbi clearance bank in Japan. The 10 other documents will boost bilateral cooperation in such fields as securities markets, innovation, sports, customs clearance and eldercare. In addition, over 50 deals, valued at more than USD18 billion, were inked by companies and financial institutions from both countries during the first China-Japan Third-Party Market Cooperation Forum, which was attended by Premier Li Keqiang. President Xi Jinping called for more efforts with Japan to expand common interests, safeguard multilateralism, support free trade and promote building an open global economy.

Trade between China and Japan surged 10.7% year-on-year to USD243.71 billion in the first three quarters of this year, according to China's General Administration of Customs.

INFRASTRUCTURE

President Xi Jinping declares Hong Kong-Zhuhai-Macao Bridge (HZMB) open

After a delay of two years and a cost overrun of billions of dollars, **the Hong Kong-Zhuhai-Macao Bridge was declared open by the Chinese President Xi Jinping** at a ceremony attended by about 700 guests at the immigration clearance facilities in Zhuhai. The bridge is **the world's longest sea crossing**. Chinese Vice Premier Han Zheng said the bridge would bring Hong Kong and mainland China closer in terms of economic and trade activities. Han and other officials, including National Development and Reform Commission Chairman He Lifeng and Guangdong Communist Party Secretary Li Xi, attended the ceremony, where the mega project was described as a sign of successful cooperation between mainland China, Hong Kong and Macao and a demonstration of China's engineering capabilities. The bridge could withstand threats such as Typhoon Manghut. Construction started in 2009, and the bridge was originally due to open in 2016.

The bridge will reduce travel time from Hong Kong to Zhuhai and Macao from four hours to about 45 minutes. Mainly located in Chinese mainland waters, the bridge will be managed by the HZMB Authority, which was jointly founded by the governments of Guangdong province and Hong Kong and Macao in 2010.

Vice Premier Han said it was the first time the three parties had worked together on a major infrastructure project. "It opens all three places up for greater exchange in economics and trade. It also enhances the competitiveness of the Pearl River Delta," he added. In a 2008 consultancy study, 33,100 vehicles and 171,800 passengers were predicted to cross the bridge daily by 2030. But that estimate was lowered to 29,100 vehicles and 126,000 passenger trips in a 2016 study, down 12% and 26% respectively.

Hong Kong Chief Executive Carrie Lam highlighted three cross-border infrastructure projects – the Guangzhou-Shenzhen-Hong Kong Express Rail Link, the Hong Kong-Zhuhai-Macao Bridge and the Liantang/Heung Yuen Wai Boundary Control Point, which will open early next year – and said each would help strengthen the integration between Hong Kong, Macao and mainland China. Lam said the bridge had provided **a good foundation for the "Greater Bay Area" development** – a technology-led economic hub comprising Hong Kong, Macao and nine mainland Chinese cities with the aim of rivaling California's Silicon Valley.

President Xi Jinping has said that China must become "self-reliant", state media reported, **as he toured** the country's manufacturing hub of **Southern Guangdong** for the first time in six years. He visited the precision moulding plant and a key laboratory at Gree Electric Appliances in Zhuhai. "To go from a big country to a strong one, we must give paramount importance to the development of the real economy," Xi said during the visit. "Manufacturing is a key to the real economy, and the core strength of manufacturing is innovation, or the control of core technologies. We must seek innovation by relying on ourselves, and I hope all enterprises will work in this direction," he added.

President Xi also visited the pilot economic zone of Qianhai, and poorer areas of the province involved in his poverty alleviation program. He said that "no one would be left behind" in China's drive to eradicate extreme poverty. Xi hailed the free-trade zone (FTZ) policy as a "milestone" for a "new era" of reform in a message to a high-level forum marking the fifth anniversary of the opening of the country's first FTZ in Shanghai. China has 12 free-trade zones, with the latest opening in Hainan in April.

CHINA NEWS ROUND-UP

U.S. top officials will not attend China International Import Expo

The United States does not plan to send senior government officials to attend the China International Import Expo (CIIE) in Shanghai from November 5 to 10, a U.S. Embassy Spokesman said. "We encourage China to level the playing field for U.S. goods and services. China needs to make the necessary reforms to end its unfair trade practices that are harming the world economy," he said. However, **nearly 180 U.S. companies have so far confirmed their participation** in the event, although the U.S. won't have a country pavilion. The CIIE will bring together thousands of foreign and Chinese companies, aiming to boost imports, allay foreign concerns about China's trade practices and show readiness to narrow trade gaps. The CIIE has attracted over 2,800 companies from more than 130 countries and regions. China is expected to import USD10 trillion worth of goods and services in the next five years.

China has said British Trade Minister Liam Fox will attend, while diplomats say **most major trading partners will send delegations**, including some that have been critical of its trade practices, such as Australia, Canada, France and Germany. Chinese President Xi Jinping is expected to speak at the opening ceremony of the Expo, which is expected to be held every year. China will also further streamline import and export procedures. By the end of 2018, the number of required documents to be verified will be reduced by more than one-third compared with 2017, and all verifications will be operated online except for documents deemed confidential, which will reduce the overall customs clearance time by one-third. In the first three quarters, China's foreign trade volume remained stable despite the ongoing trade dispute with the United States. Goods trade increased by 9.9% year-on-year to CNY22.28 trillion.

Preparations for the Expo are now in full swing. Expat community volunteers are reminding foreigners arriving in Shanghai that they must register their accommodation details at a police station when not staying overnight at a hotel. Random security checks at train stations have been increased and the Shanghai railway police have been reinforced with 800 colleagues from other provinces. There is also a citywide ban on the unauthorized use of drones, light and ultra light airplanes, light helicopters, gliders, airships, model planes, hot air balloons and tethered balloons from November 2 to 11. Traffic restrictions in areas of the Huangpu and Yangtze rivers have been put in place by Shanghai maritime officials.

The mobile phone app Jinbohui Jiaotong (CIIE Traffic) provides information about buses, the metro, taxi services and parking, as well as the location of the 21 gates of the Expo center and the distribution of booths in the venue. The app will also provide the waiting times at taxi stands, bus and metro stations. Android phone users can download the app at www.jt.sh.cn. For iPhone users, they can find the app in the App Store.

China strengthening technology ties with Israel

Chinese Vice President Wang Qishan paid an official visit to Israel, during which he attended the fourth meeting of the **China-Israel Joint Committee on Innovation Cooperation**. China and Israel established the joint committee in 2014 with the aim of promoting innovation cooperation in various fields. In March 2017, the two countries established an innovative comprehensive partnership during Israeli Prime Minister Benjamin Netanyahu's visit to China. Israel is attracting over USD7 billion of Chinese investment. Chinese companies have built research and development centers in Israel, including Huawei, Xiaomi and Lenovo. Ami Appelbaum, Chief Scientist and Chairman of the Board of the Israeli Innovation Authority, said there is still work to be done on both sides in order to fully realize the potential of bilateral relations. "The next step for the two countries will be Israeli and Chinese entities working together in the Chinese market," said Yaki Zinger, Vice President of LR Group, an Israeli firm specializing in development and financing of large-scale projects in high-growth economies.

"The ultimate measure of Chinese investment in Israel will be when Chinese companies begin establishing development, sales and manufacturing hubs in Israel," said Dorian Barak, CEO of Indigo Global, a private equity investor and fund manager. "An investment in an Israeli startup pales in value to a large Chinese conglomerate establishing a major Israel presence – hiring locals, paying local taxes and exporting from here," Barak said. According to Start-up National Central, a non-profit organization that surveys Israel's high-tech and innovation industry, Israel has more than 6,000 startups, and multinational companies have invested in over 350 R&D centers in the country.

Agreements were signed between China and Israel in fields including science and technology, life science, innovation, digital health and agriculture. China is now Israel's largest trading partner in Asia and the third-largest across the world, with the bilateral trade volume in 2017 growing to over USD13 billion – about 260 times the volume back in 1992 when the two countries established diplomatic relations. In 2017, a total of 139,000 Chinese people visited Israel, three times as many as in 2015, and the number of visitors from Israel reached 52,000, according to data from the Chinese Embassy in Israel.

Geely and Daimler set up ride hailing service

Chinese automaker Zhejiang Geely Holding Group announced it will set up a joint venture with German manufacturer Daimler to offer ride hailing services in China. **Daimler Mobility Services and** Geely's new business entity **Geely Group Co will establish a 50-50 joint venture** headquartered in Hangzhou, Zhejiang province. The financial terms and investment plans of the venture have not been disclosed. The new venture will offer ride-hailing services in several cities in China, and will use the Mercedes-Benz S-Class, E-Class and V-Class among other vehicles. An Conghui, President of Zhejiang Geely Holding Group, said the new move was a concrete step in Geely's efforts to transform from a carmaker to a global auto technology group.

Strategy consultancy Roland Berger said in a recent report that **the shift from vehicle ownership to new shared mobility concepts** is unstoppable. According to the report, cars for new mobility services will account for 13% of new sales in 2020, jumping to 20% in 2020. China will occupy almost 60% of the global vehicle sales for taxis and mobility-on-demand by 2020, reaching 560,000 units. John Zeng, Managing Director of LMC Automotive Shanghai, said carmakers should take the initiative in the changing competitive environment, and value the potential business opportunities ahead, such as the new mobility concept.

"Driverless car technologies and ride-sharing services are advancing so quickly that in the future more and more people will choose convenient ride-sharing services instead of buying cars and paying for maintenance, and it will eventually affect the whole market," Zeng added.

Automotive industry shifting from fast expansion to slow growth

China's automotive industry is shifting from super-fast expansion to slow growth, after the country's car market already reached an immense scale in production and sales volume, Xin Guobin, Vice Minister of Industry and Information Technology, said. "The recent slow expansion in car sales was chiefly because more than 29.4 million automobiles were sold in China in 2017. It would be very difficult to continue robust momentum on the basis of such a big number," Xin said at a news conference in Beijing.

He made the comments after the growth rate of China's auto sales stood at 1.5% year-on-year in the first three quarters of 2018. The weak rate triggers questions about whether China's automotive industry is entering a cold winter, despite the fact that more than 20 million cars were sold in the nation over that period. "Though the growth rate, as a whole, will slow down, many bright spots are promising positive development," Xin added. The revenue growth of the auto sector outpaces that of its sales and production volumes, highlighting that the industry is in good health. **From January to August, automobile companies in China have seen their revenue grow by 8.8% year-on-year.** The industry is also increasingly concentrated in the hands of top players, which will give full play to the scale effect. Currently, the 10 largest automakers in China account for about 90% of the whole market.

John Zeng, Managing Director of LMC Automotive Shanghai, said the country's new energy vehicles sector will also maintain strong momentum thanks to both favorable government policies and consumers' growing desire to embrace eco-friendly cars. In the first three quarters of this year, the production and sales volume of new energy vehicles reached 735,000 and 721,000 in China, marking year-on-year increases of 73% and 81%, respectively, the China Daily reports.

Chinese Communist Party names its 100 favorite entrepreneurs

China has published a list of 100 entrepreneurs in acknowledgement of their "great achievements in the development the private economy" over the past 40 years, though several of the country's best-known business owners were conspicuous by their absence. China's two richest individuals – Jack Ma, Chairman of Alibaba Group, and Pony Ma, Chairman of Tencent – both made the list, which is not based on wealth. Perhaps the most notable absence was Richard Liu, Founder of e-commerce platform JD.com, who is currently under investigation in the United States after being accused of rape.

Also failing to make the list were Wang Jianlin, Chairman of Wanda Group; Chen Feng, Chairman of HNA Group, and Guo Guangchang, Chairman of Fosun, all three of whom were accused of leading their conglomerates on massive overseas spending sprees. Titled "Top 100 outstanding private entrepreneurs at the 40th anniversary of reform and opening up", the list was compiled by the All-China Federation of Industry and Commerce (ACFIC) and the Communist Party's United Front Work Department. Released to coincide with the 40th anniversary of China's economic liberalization, the list also aimed to "encourage the non-public sector of the economy to make new contributions" to the country.

Feeling the pressure of the trade war with the United States, Beijing has been on **a charm offensive in recent weeks in a bid to bolster the confidence of a struggling private sector**, with several top officials promising more support for the stock market and economy. Andrew Collier, Managing Director at Orient Capital Research, said the publication of the list, which comprises mostly founders of large firms, was indicative of Beijing's increased focus on private firms as it seeks to boost the influence of the party in the sector, the South China Morning Post reports.

Also named were Ren Zhengfei, President of Huawei Technologies, Lenovo Founder Liu Chuanzhi, Evergrande Chairman Xu Jiayin, Baidu Founder Robin Li, and Xiaomi Founder Lei Jun. They were joined by Zhang Yiming, the 35 year-old Founder of Bytedance. Among the other names on it were: Li Shufu, Founder of carmaker Geely; Li Dongsheng, Chairman of electronics firm TCL; Zong Qinghou, Chairman of drinks manufacturer Wahaha; and Liang Wengen, Chairman of Sany Heavy Industry.

Driverless tech start-up TuSimple aims to replace 15 million truckers in the U.S. and China

Chinese artificial intelligence (AI) start-up TuSimple has deployed autonomous trucks on commercial runs between Tucson and Phoenix in Arizona and Las Vegas, Nevada, as the company prepares to expand its operations in the world's two largest economies by next year. That trial program in the U.S., where its two trucks transport consumer goods at speeds of up to 104.6 kilometers per hour on their routes, is generating about USD6,600 a week in revenue and giving TuSimple a toehold in the vast U.S. freight market, said Chen Mo, the company's Co-founder and Chief Executive. "Scaling up our operations boils down to two factors – capital and talent," Chen said in an interview with the South China Morning Post at his office in Beijing.

He said TuSimple, which has more than 150 employees in China and the U.S., plans to gradually expand its autonomous truck fleet to a total of 500 units between the two markets, which would enable it to generate about CNY100 million in revenue from next year. The company, which has generated USD83 million in funding since it was founded in 2015, is now working on a new round of financing, the amount of which it has not been disclosed.

TuSimple's expansion plans underscore China's efforts to gain leadership in developing next-generation vehicles with autonomous driving technology. Various Chinese hi-tech firms are looking to develop so-called level-four autonomous driving trucks and cars. That means **these vehicles should be able to slow down, pull over or park at a safe spot if a human driver does not take control when requested**, according to industry guidelines set by the Society of Automotive Engineers. But the U.S.-China trade war has heightened security concerns over Chinese hi-tech companies doing business in the U.S.

TuSimple's Chen, however, sees plenty of opportunity in the U.S., "where logistics costs are more expensive and there is a shortage of 200,000 truck drivers". "If we succeed, about 15 million truck drivers in China and the U.S. will be initially freed from their strenuous and dangerous work," he said. TuSimple is competing against Tesla and Alphabet's Waymo in developing level-four autonomous trucks for the transport and logistics industry.

China's influence on global tourism continues to grow

Chinese travelers are not only fueling the country's domestic tourism market, but also having a growing influence on regional and global economies, according to **a study by the World Travel and Tourism Council (WTTC)**, which also shows Hong Kong and Macao are now considered among the industry's elite destinations. **City Travel & Tourism Impact 2018** assessed the economic contribution of the tourism industry in 72 cities worldwide. Its key findings were presented at the WTTC's Asian Leaders Forum 2018 in Macao. "China is the one to watch on a number of levels. Chinese cities are really growing because of the increase in wealth and the number of people who are able to travel," Olivia Ruggles-Brise, the WTTC's Policy and Communications Director said. "Destinations close to mainland China, like Hong Kong, Macao, Bangkok and Jakarta, are also being driven by its outbound traffic."

According to Cozystay, an online vacation rental platform targeting Chinese travelers, **145 million individual overseas trips were made by Chinese tourists in 2017, up from 10.5 million in 2000**. The new total is roughly equal to the entire population of Russia. As only 7% of Chinese currently own a passport, it predicted the number of trips could mushroom to over 400 million by 2030. The WTTC study shows four of the five fastest-growing global cities in terms of direct travel and tourism-related GDP, in the decade to 2017, were Chinese – Chongqing, Shanghai, Chengdu and Guangzhou – and predicts that trend is likely to continue. Domestic spending remains the largest source of growth. In 2017, 95% of Chongqing's tourism and travel related GDP was generated by Chinese travelers, while in Guangzhou they accounted for 90%, Shanghai 88%, Beijing 87% and Chengdu 83%.

The latest WTTC figures now show Hong Kong was the global city leader, with international spending there of USD39.2 billion, while Macao took second place at USD35.6 billion. Macao's 14.2% growth in directly related travel and tourism GDP in 2017 was the second fastest in the world after Cairo, and its rapid ascent in the rankings was fueled largely by mainland visitors, who were treated as international in the report. "The degree to which the Chinese traveler is becoming increasingly sophisticated is changing. Once upon a time Chinese travelers really just wanted to buy things, now they are moving more towards experiences. Outbound Chinese tourism is massive and it is going to keep being massive," James Riley, CEO of the Mandarin Oriental hotel group, told South China Morning Post. The WTTC's biggest fear, however, is that a deterioration in political relations could impact the country's abilities to lure overseas visitors.

Four of the Top 10 fintech companies are Chinese

Chinese fintech companies took four of the top 10 spots in the 2018 Fintech100 report, and three of the top five, as Chinese firms continue to build scale with a heavy emphasis on payments and insurance. KPMG and fintech investment firm H2 Ventures compiled and announced the ranking. **Ant Financial topped the list, followed by JD Finance**, while Du Xiaoman Financial ranked No 4 and Lufax, an online financial asset trading company that uses big data to analyze risk, came in at No 10. The companies' user numbers are growing at a staggering rate, as are their product offerings.

Ant Financial is the world's largest third-party payments platform. JD Finance uses its e-commerce expertise to provide finance across seven business areas, including consumer finance, crowdfunding and payment services. Du Xiaoman Financial provides short-term loan and investment services. "The 2018 Fintech100 showcases the increasing diversity and scale of the global fintech market. Payments and lending continue to be the dominant sectors. However, wealth management is taking off, with 14 companies on the list," said Ian Pollari, global co-lead of KPMG Fintech. The list highlighted dynamic fintech companies from around the world that are transforming the financial services industry, from digital payments and lending, to insurtech and neo-banking.

Payments companies dominated the Fintech100, with 34 in total, followed by 22 in lending, 14 in wealth management and 12 in insurance. The U.S. topped the ranking with 18 fintech companies in the top 100, including three in the top 10, followed by the UK with 12, and China with 11. Australia and Singapore also placed strongly with seven and six companies, respectively. 36 countries are represented in the list this year, up from 29 in 2017 and 22 in 2016. Almost half of the companies on this year's list were founded and continue to operate in emerging markets. Ben Heap, Founding Partner at H2 Ventures, said that the companies on the 2018 list have raised over USD52 billion in venture capital, more than double the total of last year's list, and more than USD27 billion of capital in the past 12 months, a 366% increase over last year," the China Daily reports.

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Contact

Flanders-China Chamber of Commerce
Office: Ajuinlei 1, B-9000 Gent – Belgium
New telephone and fax numbers: Tel.: +32/9/269.52.46 – Fax: ++32/9/269.52.99
E-mail: info@flanders-china.be
Website: www.flanders-china.be

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The FCCC Newsletters are edited by Michel Lens, who is based in Beijing and can be contacted by e-mail michel.jc.lens@gmail.com . Disclaimer: the views expressed in this newsletter are not necessarily those of the FCCC or its Board of Directors.