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法兰德斯中国商会 FCCC VCKK
FLANDERS-CHINA CHAMBER OF COMMERCE
VLAAMS-CHINESE KAMER VAN KOOPHANDEL

FCCC/EUCBA ACTIVITIES

Webinar: The economic landscape in China: challenges and opportunities after 2.5 years of pandemic – Thursday 5 May, 10h00 – 11:15 CEST

The Flanders-China Chamber of Commerce and Flanders Investment and Trade are organizing **a webinar with the Flemish Economic Representatives in China.** This webinar will take place on Thursday, 5 May 2022 from 10h00 till 11h15.

During the webinar, the Flemish Economic Representatives **Marc Struyvelt** in Beijing, **Bart Boschmans** in Shanghai, **Eva Verstraelen** in Guangzhou and **Siegfried Verheijke** in the Hong Kong S.A.R. will talk about:

The economic landscape in China: challenges and opportunities after 2.5 years of pandemic

Program:

10u00-10u05: Introduction by **Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce

10u05-10u55: Panel discussion with the Flemish Economic Representatives of Flanders Investment & Trade:

- **Marc Struyvelt**, Flemish Economic Representative in Beijing;
- **Bart Boschmans**, Flemish Economic Representative in Shanghai;
- **Eva Verstraelen**, Flemish Economic Representative in Guangzhou;
- **Siegfried Verheijke**, Flemish Economic Representative in the Hong Kong S.A.R.

10u55-11u15: Q&A session

Practical information:

Date: 5 May 2022

Time: 10:00 – 11:15

Location: Online

Price for members: free

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China: Life-sciences Masterclass: Understanding China's Healthcare Market and its Evolutions: 6 module course – May 2022

The Flanders-China Chamber of Commerce, in collaboration with Smart Hub Flemish Brabant and Flanders Investment & Trade, has the pleasure to invite you to the Masterclass: "Understanding China's Healthcare sector". The Chinese healthcare market is experiencing an unprecedented growth that is presenting burgeoning opportunities for Flemish companies. China is now the second largest market in the world for medical devices and pharmaceuticals. China's healthcare service market is also quickly becoming one of the largest in the world.

Taking into account these opportunities, the FCCC will organise a 6-module course focused on helping companies to enter the Chinese market. This project is aimed at innovative companies in the pharma, biotech, medtech, medical insurance and nutrition sectors.

The programme will give participants a better understanding of the general Chinese healthcare market. Business executives will learn about the general healthcare landscape and how it has evolved, as well as the opportunities and the challenges, best practices and lessons learned, negotiation tactics, legislation, product registration, financial incentives, production and sales.

The series of webinars will end with a matchmaking meeting, where participants will have the opportunity to introduce themselves to potential Chinese partners and investors.

More information on all sessions can be viewed here

Practical information:

Date
First session: 10 May 2022
Second session: 11 May 2022
Third session: 12 May 2022
Fourth session: 17 May 2022
Fifth session: 18 May 2022
Final session: 20 May 2022

Price members: €125 - All sessions

Price non members: €185 - All sessions

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HEALTH

Anti-epidemic measures tightened in Shanghai; Beijing on alert following several small outbreaks; Hong Kong relaxes travel restrictions

The number of new Covid-19 cases in Shanghai has rebounded after a five-day decline, before dropping again on Sunday. On April 23 it was reported that a total of 23,370 new infections were recorded in the previous 24 hours, up 32.6% from a day earlier. Symptomatic cases rose 41.7% to 2,736. A total of 21,058 new cases were recorded in the last 24 hours, 10% less than a day earlier, according to data released on April 24. Symptomatic cases plunged by 49% to 1,401. Cumulative infections since the outbreak began on March 1 topped 487,000. “Controls on residential complexes should be strengthened to preserve the achievements that were made earlier,” Mayor Gong Zheng told officials during an inspection tour of central Shanghai’s Jing'an district.

The lockdown in Shanghai – now called a “standstill order”, part of “static management” measures – has been extended to April 26, after it failed to reach its “societal zero-Covid” goal by April 20, when new cases would be limited to people already in quarantine. Infections were spreading in what officials had considered low-risk areas – those that had not recorded any cases in 14 days. The total number of deaths has reached 138. Many were caused by underlying diseases, rather than Covid-19 itself.

Meanwhile, more firms are resuming production. Two suburban districts in Shanghai – Jinshan and Chongming – achieved the dynamic zero-Covid-19 goal. It means the resurgence is under control without any community transmissions. However, Shanghai even intensified certain measures to try to achieve zero community transmission in other subdistricts. In the past two years, Shanghai encountered 12 outbreaks, which it successfully quelled without resorting to lockdowns. As of last week, 70% of Shanghai's 666 key enterprises had resumed operations, Zhang Wei, Vice Mayor of Shanghai, said.

Beijing faces high risk of Covid-19 infection as the capital city has witnessed several outbreaks, involving multiple transmission chains, said a Beijing health official. Beijing reported 70 new locally transmitted cases since April 22 in eight of the city's 16 districts, further complicating prevention and control efforts. The latest infections involved students, a teacher, seniors who had been traveling in tour groups, interior decorators, a deliveryman and diners in a restaurant. A preliminary epidemiological investigation showed that the virus has been spreading for a week, said Pang Xinghuo, Deputy Director of the Beijing Center for Disease Control and Prevention. Some of the cases are older than 60 and had not been vaccinated.

Although Beijing has now reported 41 cases, it is uncertain whether there is a larger number of infected

people, Wang Guangfa, a Beijing-based respiratory expert, told the Global Times. Beijing's Party Secretary Cai Qi said the capital city is in a serious condition given the complicated transmission chains, and he asked to stamp out the virus as soon as possible. "The risk of further hidden transmission is high. The situation is urgent and grim," The Beijing Daily reported. Beijing's Chaoyang district, home to some 3.5 million residents, rolled out three rounds of mass nucleic acid testing starting on April 25. Two residential communities in Chaoyang district were respectively labeled as a high-risk and medium-risk regions.

Shanghai's neighboring city of Suzhou in Jiangsu province is also battling an outbreak linked to the one in Shanghai. Jilin has controlled the coronavirus and achieved zero-Covid status at the community level in all parts of the province, and the local government is now making efforts to get production up and running again, officials said.

China is fine-tuning its Covid-19 border restrictions to shorten quarantine for incoming travelers to Shanghai, Guangzhou, Xiamen and other cities. The four-week pilot scheme – also covering Chengdu, Dalian, Ningbo, Suzhou and Qingdao – was launched on April 11 to cut quarantine from 14 to 10 days for incoming travelers and close contacts of Covid-19 patients. People in isolation will have six PCR and six rapid antigen tests in that period, which also includes seven days of health monitoring at home. The eight cities were chosen based on the number of incoming flights, the quantity of imported goods and Covid-19 control capacity. As for local outbreaks, lockdowns of quarantined areas could be lifted after 10 consecutive days without a positive test result, instead of two weeks as previously required, it said.

Hong Kong will allow foreigners to fly into the city starting next month, ending an entry ban that has kept most visitors away for more than two years. The city will also relax the threshold for suspending incoming flights carrying infected passengers from May 1. The existing three-person threshold will be raised to five, or 5% of the passengers on a single flight, whichever is greater. The length of time flight routes are suspended will be cut from seven days to five. All arrivals at Hong Kong International Airport, including residents and visitors, will be required to take a rapid antigen test (RAT), in addition to the usual polymerase chain reaction (PCR) ones. Those who test negative via RAT can take dedicated transport to undergo seven days of quarantine at designated hotels, while waiting for their PCR test result. Of all infections recorded between January and March, only 3% were imported, while the proportion fell to 1% for cases logged since April 1, when a ban on flights from nine countries including Britain and the United States ended. This past February, only 2,600 people arrived in the city for the purposes of travel, far lower than the five million visitors recorded in the same month in 2019 before the pandemic hit.

Researchers from Wuhan University's Medical Research Institute said they have **developed a new coronavirus test that can return accurate results in less than 20 minutes** and that is as sensitive as the lab-based PCR test. The method used is named sPAMC, which is based on the classic CRISPR technology. Their findings were published in Nature Biomedical Engineering, a peer-reviewed journal, in late March. However, clinical trials will take several months before the wide deployment of the tests. The PCR tests that are widely used must be processed in a lab and have a turnaround time of about six hours. Since mid-March, the country has also adopted rapid antigen tests that can be administered at home but are less accurate.

This overview is based on reports by the China Daily, Shanghai Daily, Global Times and South China Morning Post.

FOREIGN INVESTMENT

MOFCOM promises measures to help foreign companies resume production

China will take targeted measures to help foreign companies resume production while containing the latest outbreaks of Covid-19, to put its economic growth on a firmer footing, the Ministry of Commerce (MOFCOM) said. The government will address specific difficulties faced by foreign-funded companies in resuming work and accessing production materials, said MOFCOM Spokesman Gao Feng. The government has already optimized epidemic prevention and control measures, ensured smooth transportation channels, and facilitated raw material and emergency supplies to companies, including foreign-funded enterprises, affected by the latest Covid-19 outbreak in many parts of the country. In the next step, the Ministry of Commerce will work closely with various working teams at key foreign-funded projects and the government branches concerned to accelerate the implementation of these measures and to help them restart their production and operations, Gao said.

Germany's Bosch Group said its auto parts plants in Shanghai and Taicang, Jiangsu province, have continued production under closed-loop management. Its thermal technology factory in Shanghai, however, has halted production. The group's auto parts plant in Changchun,

Jilin province, resumed production last week, the company said in a statement. Zhang Yanbing, Manager at Taicang-based BOS Automotive Systems (Taicang) Co, a subsidiary of Germany's BOS Group, which supplies automotive interiors to BMW and Mercedes, as well as Chinese companies Geely and Nio, said the company has faced difficulties in logistics since it restarted its operations. "We mainly import raw materials and industrial parts from Europe, such as motors and wiring harnesses. Our weekly import frequency is currently about 10 containers, and the import volume in March soared by 13% year-on-year," he said. "Demand for these materials, driven by Chinese automakers' orders, especially new energy vehicle makers, will keep increasing in the coming months."

The Ministry, together with various other government branches, has been deploying resources to resolve difficulties in aviation, railways and shipping services while strengthening logistics, personnel flow and trade settlement services, so that businesses can resume production. MOFCOM started to work with China Export and Credit Insurance Corp in late February to give full play to export credit insurance in risk prevention and credit enhancement. By stepping up the use of export credit insurance, the Ministry will protect exporters from the risk of nonpayment by foreign buyers, and raise foreign trade companies' risk-hedging capability for the two-way fluctuation of the renminbi exchange rate.

To remove institutional obstacles to the integration of China's domestic and foreign trade channels as well as unclog both domestic and international circulations, the government will make certain that domestic and foreign trade rules are effectively aligned, promote product benchmarking and cross-border e-commerce platforms, and speed up digital empowerment, Gao said. The Ministry will carry out pilot projects for the integration of domestic and foreign trade channels, and form a batch of replicable experiences and practices to promote this trading form across the country.

Chinese authorities will identify a list of key industries and enterprises engaged in foreign trade in fields such as automobiles, integrated circuits, consumer electronics, equipment manufacturing, agricultural supplies, food and medicine, following a national teleconference on keeping industrial and supply chains stable, which was attended by Vice Premier Liu He. To overcome logistical barriers and boost traffic flow, the country will issue sufficient travel permits that can be recognized across the nation and make sure that nucleic acid test results within 48 hours can be used in different regions, the Ministry of Transport said. The Ministry of Industry and Information Technology (MIIT) cleared 666 manufacturers in Shanghai to resume production, to help key industries get back to work.

Tesla's Shanghai Gigafactory, China's first foreign-funded end-to-end vehicle production project, resumed operations, with 8,000 employees back in the plant after nearly three weeks of closure since March 28. Full production capacity of the Gigafactory will only be achieved in mid-May due to supply chain and logistics bottlenecks.

China's foreign trade soared 10.7% year-on-year to CNY9.42 trillion in the first quarter of this year, maintaining growth momentum for seven quarters amid mounting challenges ranging from domestic Omicron outbreaks and external risks, data from the General Administration of Customs showed, as reported by the China Daily.

HUMAN RESOURCES

Loss of foreign teachers endangers international schools in China

International schools across China may not survive the loss of teachers resulting from lockdowns and strict Covid-19 measures that are driving away foreign talent, according to Steven Lynch, Managing Director of the British Chamber of Commerce (BritCham) in China. "It could just wipe out international schools, and it's not just the schools, per se. It's about the ecosystem," said Lynch. His warning came as survey results released by BritCham last week showed that a high concentration of British companies operating in China's education sector expects to see a loss of teachers. "What's happened in Shanghai will certainly increase foreign talent moving out of China. But it's not just about the foreign talent moving out – it's not being replaced," Lynch added.

Forecasts for the upcoming 2022-23 school year indicate an expected turnover rate of at least 40% among teachers in international schools that require at least one parent to hold a foreign passport, according to the survey results, contained in the latest **"British Business in China: Covid-19 Impact Report"**. "Should they not be replaced, international families will be forced to relocate to ensure continued education for their children, while those considering moving to China will look elsewhere," the report said. The survey was conducted from April 6 to14 and received more than 200 replies from start-ups, small and medium-sized firms, and multinational corporations.

International travel restrictions remain in place, meaning there are no direct flights between China and the UK. BritCham in China is among the foreign chambers of

commerce – including the United States, Germany and the European Union – that voiced concerns and put forward recommendations during a meeting with Minister of Commerce Wang Wentao. He reiterated China's commitment to its zero-Covid strategy, according to Lynch, while emphasizing that the Ministry would try to address short-term logistics issues. Lynch said he believed that the meeting with Wang could help many businesses mitigate or avoid "unnecessary" protocols surrounding the supply chain and food delivery. Another attendee at the meeting said that measures to stabilize the supply chain did not allay concerns over the severe impact that restrictions are having.

The Commerce Ministry said China will coordinate with foreign firms and help minimize hardships resulting from coronavirus outbreaks and lockdowns. Ministry Spokesman Gao Feng said China is striving to ensure that supply chains remain stable and operate smoothly for importers and exporters, while aiming to support and improve trade.

However, **Lynch acknowledged that there has been a "shifting sentiment" among BritCham members, as their dissatisfaction with China's zero-Covid policy is rising.** While 41% of companies in the BritCham survey commended China's success in controlling the spread of Covid-19, a third of respondents indicated they were not satisfied with the management efforts. Many want more clarity and communication on lockdown measures from local authorities.

About 46% of the polled companies said unclear and non-uniform implementations of regulations in China were also affecting their ability to attract and retain foreign talent. "We are seeing quite a lot of people leave – whether it's the end of their contract, or for personal or professional reasons – and they are not being replaced. This is a huge issue," Lynch said, adding that it may take between four and seven months to find a replacement teacher at schools.

The BritCham report added: "As the world continues to work towards a future where Covid-19 becomes endemic, the approach to controlling the spread of Covid-19 in China is starting to have an increasingly negative effect on businesses. "In the current circumstances, China's attractiveness as a destination for investment and talent is diminishing." But despite severe disruptions to business activities, especially for operations in Shanghai and Shenzhen, one-third of respondents said that they had not yet decided on any change in investment. Another third of businesses said they had delayed investments in China as a result of recent Covid-19 outbreaks, the South China Morning Post reports.

CHINA NEWS ROUND-UP

China ratifies two international forced labor conventions

China has ratified two international conventions against forced labor, the International Labor Organization's Forced Labor Convention of 1930 and the Abolition of Forced Labor Convention of 1957. The decision to ratify the two international conventions was announced as the Standing Committee of the 13th National People's Congress (NPC) concluded its 34th session in Beijing last week. The Chinese government has attached great importance to the protection of workers' interests and has held a responsible attitude toward ratifying international conventions on workers' rights, Wang Wenbin, Spokesperson of China's Foreign Ministry told a press conference. China has always opposed forced labor and the ratification of the two conventions once again showed the Chinese government's firm stance. UN human rights Commissioner Michelle Bachelet has scheduled a visit to Xinjiang, but China's Foreign Ministry said there was no direct link with the ratification of the two conventions.

For the past decade, China has been considering signing the conventions and has made full preparations on laws, policies and practices, Cao Yan, Professor from the Research Center for Human Rights at the Northwest University of Political Science and Law and also an expert on labor laws, told the Global Times. Having a complete domestic legal system is the premise of joining and better implementing any international convention. For more than 10 years, China has worked hard to improve its own laws on protecting labor rights. For example, China now has a Labor Law, Labor Contract Law, and a Law on Mediation and Arbitration of Labor Disputes, Cao said. Some of China's laws made in the 1950s and 1960s adopted higher standards on protecting women and minority groups than international conventions. However, the Cold War had hindered China's pace in joining the two conventions, Zhu Ying, Professor from the Baize Institute at Southwest University of Political Science and Law, told the Global Times.

The fact that China had not yet ratified the two conventions was also an issue during the discussions for concluding the Comprehensive Agreement on Investment (CAI) between China and the EU. Ratification of this agreement remains suspended by the European Parliament after China imposed sanctions on EU parliamentarians following the imposition by the EU of sanctions on Chinese officials it accused of being involved in abuses in Xinjiang.

China approves construction of three nuclear power stations

After years of preparations, comprehensive assessment and review, **approval has been granted for the construction of three new nuclear power plants in Sanmen, Zhejiang province, Haiyang, Shandong province, and Lufeng, Guangdong province. All six units, two for each site, will adopt third-generation nuclear technologies,** and this is the first time that China has approved six units at one time since 2008, which illustrates the government's determination to steadily develop nuclear power under the premise of security, said Luo Zuoxian, head of intelligence and research at the Sinopec Economics and Development Research Institute. According to estimates from Yicai.com, the total investment for each third-generation nuclear unit is around CNY20 billion and the six units are expected to have a total investment of CNY120 billion. "Four of them will adopt CAP1000, a Chinese version of U.S.-imported technology, another two reactors in Lufeng will adopt China's third-generation nuclear reactor technology Hualong One.

Luo added that nuclear power, together with clean coal and gas, will play a crucial role in a new power system dominated by new energy. "As a non-fossil energy, nuclear power has further illustrated its strategic importance in the country's energy mix since last year's energy shortage," he said. "While European countries are already shifting from banning nuclear energy to restarting it and China is also actively developing wind, solar and hydropower on a large scale, there is substantial room for nuclear power in the years to come on the global stage."

Luo believes **China will continue to support nuclear energy as an integral part of its energy supply** and the sector is likely to enter a strategic development period in the years to come. According to the 14th Five Year Plan (2021-25) on the country's energy system released by the National Development and Reform Commission (NDRC) and the National Energy Administration (NEA) in March, the government vowed to step up the installed capacity of nuclear power plants in operation to 70 gigawatts by 2025, up from 51 GW at the end of 2020. The plan also calls for wider promotion of the use of nuclear energy to heat residential and industrial areas and desalinate seawater, after two cities in China – Haiyang, Shandong province and Haiyan, Zhejiang province – have already successfully achieved commercial nuclear heating during the 2021-2022 heating season.

Demonstration projects of advanced reactor types including high-temperature gas-cooled reactors, fast reactors, modular small reactors and offshore floating reactors should be conducted, while the country should also step up the digitalization of the country's energy system, according to the plan. China is already the second-largest worldwide in terms of nuclear-installed capacity and generation capacity, while it has also become a pioneer in the global nuclear sector, the China Daily reports.

Law on futures and derivatives adopted

The Standing Committee of the National Peoples Congress (NPC) has adopted a new law on futures and derivatives, which will take effect on August 1. It is the first such law since futures and derivatives trading commenced three decades ago. Basic rules to govern futures trading, settlement and delivery are in the new law, said Wang Xiang, Deputy Director of the Office for Economic Law of the NPC's Legislative Affairs Committee. The new law has also clarified the rules concerning the launch of new products, futures firms' business scope, and margin payments. The futures and derivative markets will thus give full play to price discovery, risk management and resources allocation, which should spur the real economy, he said. The new law clarifies for the first time the basic rules for futures and derivative trading from the legal perspective.

It provides a legal framework and systematic arrangement for the healthy development of the futures and derivative markets, said Yu Hongzheng, Partner of Junzejun Law Offices. Yang Delong, Managing Director of First Seafront Fund, said a growing number of mutual fund firms have received approval for futures and derivatives trading to meet growing investment demand. The new law will thus pave the way for the introduction of more mutual fund products focused on futures and derivatives trading.

The inclusion of derivative trading is a highlight of the futures and derivatives law, said Li Yating, Vice General Manager of COFCO Futures. Rules related to derivatives such as forward contracts and swaps have all been included in the law, which will better guide the development of the derivatives market, she said. More mature overseas investors and institutions will be attracted to the Chinese market while more domestic futures companies will be able to tap into overseas markets under the new law, the China Daily reports. According to the China Futures Association, the trading volume topped a record 7.5 billion lots last year. Total trading value also hit a historic high of CNY581.2 trillion in 2021. China is the world's largest futures market for agricultural, nonferrous metals, coke and steam coal products.

China Merchants Bank President sacked and under investigation

China Merchants Bank (CMB) has unexpectedly relieved Tian Huiyu of his role as President and CEO, after the worst sell-off of Merchants Bank shares in seven years on the Shanghai Stock Exchange, which erased about CNY71 billion in one day, amid talk of investigations into the affairs of the country's largest retail bank. Tian, 56, was relieved of his job with immediate effect, and would be assigned to another post, the Shenzhen-based bank said, without specifying his new role. Before his appointment to China Merchants Bank, Tian served as head of the Beijing office for two years between March 2011 and June 2013 at China Construction Bank (CCB) the country's second-largest lender by assets. Tian, appointed to the bank's top post in September 2013, will be replaced by Chief Financial Officer Wang Liang as interim CEO, the bank said. Wang, an economist, has a degree in monetary banking from the Renmin University of China. Wang joined

the bank in 1995, working his way up the ranks in various roles until his promotion to First Executive Vice President and CFO in August 2021.

A Senior Executive of the bank was helping China's authorities with an unspecified investigation, the financial news portal Hexun.com reported, without divulging the nature of the probe. Merchants Bank is China's third-largest lender by capitalization. "There's market speculation that the executive is under probe," said Wang Zheng, Chief Investment Officer at Jingxi Investment Management in Shanghai. China Merchants Bank has a market capitalization of 1.1 trillion, the third-most valuable lender after Industrial and Commercial Bank of China (ICBC) and China Construction Bank (CCB). Its 17.5% return on equity is the best in the industry, versus a 11.6% peer average, according to Bloomberg data, the South China Morning Post reports.

President Xi confirms further opening up of foreign investment

China will expand its high-standard opening-up and fully implement the negative list for foreign investment, President Xi Jinping said in a keynote speech via video link at the opening ceremony of the Boao Forum for Asia Annual Conference 2022. Xi said the country will expand the encouraged catalog for foreign investment, improve services for promoting foreign investment and add more cities to the comprehensive pilot program for expanding the opening-up of the service sector. No matter how the world changes, China's faith in and its commitment to reform and opening-up will not waver, he added. Xi said the Chinese economy enjoys strong resilience, enormous potential and vast room for maneuvering, and the country's long-term economic fundamentals remain unchanged, providing great dynamism for the stability and recovery of the world economy and broader market opportunities for all countries.

Sang Baichuan, Dean of the Institute of International Economy at the University of International Business and Economics, said the keynote speech showcased China's strong commitment to expanding high-level opening-up and building an open world economy. China is expected to further open up the service sector to the rest of the world, take a more proactive approach to align with high-standard international economic and trade rules and take more steps to optimize the business environment for foreign investors. Sang said the coming into force of the Regional Comprehensive Economic Partnership (RCEP) and China's application to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) also demonstrated China's commitment to openness, which will enhance regional integration and cooperation in Asia and greatly boost the economic recovery of trade and investment.

Sang's views were echoed by Huang Yiping, Deputy Dean and Professor of the National School of Development at Peking University, who said the Chinese economy has benefited significantly from reform and opening-up during the past few decades, and it will continue to serve as a key driving force to boost further growth. "As President Xi Jinping reiterated in his opening speech, China will continue to open up to the outside world at a higher level, and push forward the negative list for foreign investment access. This makes AstraZeneca and other multinational companies more determined to put down roots in and cooperate with China," said Leif Johansson, Chairman of AstraZeneca. China's steady economic growth will provide people with confidence in world economic growth, he added.

Global express firms deny rumors about service suspension in China

Several foreign express firms said that their operations are running as normal, refuting online rumors that delivery companies from Europe and the U.S. are suspending postal and parcel express services in China amid the Covid-19 epidemic. FedEx's international express and freight center at Shanghai Pudong International Airport has kept operating during the recent outbreak, in a bid to ensure normal export business and promote the recovery and development of global trade, FedEx told the Global Times. It will resume accepting incoming international express shipments to Shanghai Pudong International Airport from April 25. In addition, the Asia-Pacific transshipment center at Guangzhou Baiyun International Airport has been operating normally. The rumors about service suspensions are not true, the company added.

DHL Express told the Global Times that it is safeguarding the closed-loop work in its North Asia hub based at Shanghai Pudong International Airport. UPS said its two transfer centers in Shanghai and Shenzhen remain operational, providing services to customers on the precondition of meeting local epidemic control rules, and the company is also taking necessary measures to reduce the Covid-19 impact on customers.

However, there have been some partial and regional service adjustments. UPS said on April 12 that it decided to suspend the import of international air cargo from the U.S. to Shanghai as well as Jiangsu and Zhejiang provinces in East China. DHL announced it was suspending express inbound services entering Shanghai as well as Zhejiang, Jiangsu and Anhui provinces pending further notice. FedEx said on April 13 that it would suspend the service of imported shipments transiting from Shanghai, Jiangsu, Zhejiang, Anhui and Jiangxi provinces, through Shanghai Pudong International Airport.

HNA Group says it resolved its debt problems

Debt-ridden Chinese conglomerate HNA Group said that it had succeeded in resolving its debt risks, more than two years after a working group was created to restructure the company's debts. A special service trust for its bankruptcy reorganization was established according to the law on April 24. The High People's Court in Hainan province approved HNA Group's restructuring proposal on October 31, 2021. A consortium formed by CITIC Trust Co and Everbright Xinglong Trust Co was eventually chosen

as the trustee. The merger and reorganization plan involving 321 HNA Group-linked firms has been fully implemented, which has been confirmed by the court. The announcement indicates the legal procedures involved with HNA Group's bankruptcy restructuring have come to an end, Lin Zhijie, a market watcher, told the Global Times.

HNA Group was once a huge and far-flung multinational spanning aviation transport, airport operations, hotel management and financial services, with over 2,000 domestic and overseas subsidiaries. The conglomerate was hit by a liquidity crisis in late 2017, due to inappropriate operations, mismanagement, runaway investment and a market downturn, which turned into a severe insolvency crisis, the Supreme People's Court said in a statement in late January outlining 10 major commercial cases of 2021.

HNA Group entered into bankruptcy reorganization due to multiple factors, Li Shuguang, Professor of the China University of Political Science and Law, said. The case is currently the largest in Asia in terms of debt size, the number and diversity of creditors, and the number of firms that had to be restructured, according to Li. As part of the restructuring, Hainan Airlines Holding Co, the mainstay of HNA Group's core aviation operations, revealed in September 2021 that Liaoning Fangda Group Industrial Co would be introduced as a strategic investor. In December, Fangda's aviation subsidiary in Hainan became Hainan Airlines Holding's controlling shareholder. In a filing with the Shanghai Stock Exchange in January, Hainan Airlines Holding put its net profits for last year at a range of CNY4.5 billion to CNY6.2 billion. Hainan Airlines' debts have been restructured, with the injection of cash, reduction of plane lease payments and a new management mentality, he continued. The reorganization lays the groundwork for Hainan Airlines' rebirth, Li said, noting that the airline will still need to withstand the fallout of Covid-19 and cope with an excess of wide-body jets, the Global Times reports.

Progress reported in IP protection

The quality and quantity of Chinese intellectual property protection continued to rise in 2021, with 696,000 invention patents authorized throughout the year. China's intellectual property industry has developed rapidly over the past five years. Shen Changyu, Director of the National Intellectual Property Administration, told a news conference that last year, the number of authorized invention patents reached 2.53 million, an average annual growth rate of 13.4% over the past five years. The number of registered trademarks hit 27.7 million, with an average annual growth rate of 29% over the same period. There were also record-high numbers of copyrights issued for new plant varieties and integrated circuit layouts last year, and the number of high-value invention patents reached 7.5 per 10,000 people in 2021, up from 6.3 per 10,000 in 2020.

The number of international patent applications filed in China via the Patent Cooperation Treaty (PCT) hit 69,500 in 2021, ranking first in the world for the third consecutive year. The PCT is a widely used indicator for innovative activity. China ranked 12th in the Global Innovation Index 2021 released by the World Intellectual Property Organization (WIPO), a rise from 22nd in 2017. In 2020, the added-value of patent-intensive industries reached CNY12.13 trillion, a year-on-year increase of 5.8%, accounting for 11.97% of GDP.

China has also reinforced IPR protection in the past five years. Since 2019, the National People's Congress (NPC) revised the Trademark Law, Patent Law and Copyright Law and established a punitive damages system based on the highest international standards. The Chinese government has also issued 16 reform measures that have helped increase the quality and efficiency of the intellectual property review process.

China has joined The Hague System for the International Registration for Industrial Designs, meaning a non-Chinese resident can secure international design protection in China, and the Marrakech Treaty, which gives over 17 million blind and visually impaired people in China easier access to copyrighted works. Both treaties will take effect in May. Last year, the central government released the Outline of Building an Intellectual Property Rights Powerhouse (2021-35) and the 14th Five Year Plan for the Protection and Utilization of National Intellectual Property Rights (2021-25). Shen said the two documents serve as important milestones in the development of the nation's intellectual property system, the China Daily reports.

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Mr. Wim Eraly, Head of Corporate and Transaction Banking, KBC Bank SA
Mr. Johan Verstraete, Vice President Weaving Machines, NV PICANOL SA
Mr. Luc Delagaye, Member of the Executive Committee, NV AGFA-GEVAERT SA

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