China Business Weekly

13 September 2022

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

FCCC/EUCBA ACTIVITIES

Webinar: "Emerging trends for Belgian businesses in China"
September 20, 2022 – 10 am

The Flanders-China Chamber of Commerce – with the support of Flanders Investment & Trade – is organizing a webinar focusing on "**Emerging trends for Belgian businesses in China**".

Mr. Raoul Schweicher, Managing Partner, Moore – MS Advisory, will share with us the results of the 2022 Sino Benelux Business Survey. The purpose of the Sino Benelux Business Survey is to provide startups, SMEs and multinational businesses with information on the business climate in China. Additionally, the survey seeks to analyze the current market situation to provide businesses with conclusive knowledge to make more informed business decisions.

Mr. Philippe Snel, Managing Director, DaWo Law Firm Shanghai, will review the latest regulation changes and government policies and discuss how they affect foreign investors doing business in China.

The presentation will be interactive, so you will have the opportunity to share your opinions and, at the same time, hear from others how they are managing their businesses in China, as well as hearing how the lockdown has impacted all of us.

This webinar will take place on **Tuesday, September 20**, at **10.00 am.**

The programme is as follows:

10h00 – 10h05: Welcome speech by **Ms. Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce

10h05 – 10h25: Presentation by **Mr. Raoul Schweicher**, Managing Partner, Moore – MS Advisory

10h25 – 10h45: Presentation by **Mr. Philippe Snel**, Managing Director, DaWo Law Firm Shanghai

10h45 – 11h00: Q&A Session

Practical information:

Date and time: September 20, 2022, 10h00 - 11h00 am

Location: Online

Price for members: Free

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Webinar: European Business in China – Position Paper 2022/23
30 September, 11:00 am CEST

The EU-China Business Association, the European Union Chamber of Commerce in China, and Business Europe are organizing a webinar on the **'European Business in China: Position Paper 2022/2023'** launch.

This webinar will be online on **September 30, 2022, at 11:00 am**.

This Position Paper of the European Union Chamber of Commerce in China is the culmination of nine months of dedicated work by 41 working groups and sub-working groups and forums. This year's Executive Position paper outlines, how over the last year, there has been a significant shift in focus at European companies' headquarters (HQs) when evaluating China.

By prioritizing ideology over economic concerns, China's business environment is becoming less predictable, reliable and efficient. While opportunities for European companies remain, they must now develop strategies to deal with an ever-growing list of risks stemming from both emerging legislation—within and outside of China—and geopolitical developments. Join us to understand the key drivers behind these trends and their implications for European business.

Program:

11:00-11:05: Welcome and introduction by **Ms. Gwenn Sonck**, Executive Director, EU-China Business Association & Flanders-China Chamber of Commerce

11:05-11:35: Presentation of the Position Paper 2022/2023 by **Mr. Joerg Wuttke**, President of the European Union Chamber of Commerce in China

11:35-11:55: Q&A and final discussion moderated by **Ms. Luisa Santos**, Deputy Director General of BusinessEurope

11:55-12:00: Closing words by **Mr. Jochum Haakma**, Chairman, EU-China Business Association

About the speaker: Joerg Wuttke has been Vice-President and Chief Representative of BASF China in Beijing since 1997. In May 2019, he was elected for a third term as the President of the European Union Chamber of Commerce in China. Since 2019, Wuttke has been Vice Chairman of the CPCIF International Cooperation Committee, a group representing multinational companies in China's Chemical Association. From 2011 to 2019, he served as Chairman of the Business and Industry Advisory Committee to the OECD's China Task Force. From 2007 to 2010 and 2014 to 2017, Wuttke was President of the European Union Chamber of Commerce in China. He was a founding member of the German Chamber of Commerce in Beijing and served as Chairman of the Board from 2001 to 2004. Wuttke has lived in China for more than 21 years.

Practical in formation:

Date: 30.09.2022

Location: Online

Price members: Free

Price non members: Free

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PAST EVENTS

Exclusive dinner meeting with the Consuls General of Belgium in Shanghai, Guangzhou and Hong Kong SAR – 7 September 2022

The Flanders-China Chamber of Commerce (FCCC), with the support of Flanders Investment & Trade, organized an exclusive dinner meeting with the **Consuls General of Belgium in China**, Mr. Bruno Jans, Mr. Luc Truyens and Mr. David Lomastro. They delivered a speech on the economic prospects in Shanghai, Guangzhou and Hong Kong SAR. This dinner took place on **September 7, 2022** in Brussels.

This event was conducted according to the Chatham House rules, so no detailed report is available.

The 8th Europe Forum 2020 – Brussels: China-Europe Cooperation and Decarbonization – September 7, 2022

The China Europe International Business School (CEIBS) and the EU-China Business Association (EUCBA) organized the 8th Europe Forum 2022 on **"China-Europe Cooperation on Decarbonization"** in Brussels on **September 7.**

The event was hosted by **Mr Ivan Houdac,** Founder and Chairman of the Supervisory Board, Aspen Institute.

Welcome addresses were delivered by **Mrs Wang Hong**, President and Professor of Management, CEIBS and **Mr Jochum Haakma**, Chairman, EU-China Business Association.

Minister Wang Hongjian, Chargé d'Affaires ad Interim, Mission of the People's Republic of China to the European Union, delivered the opening address.

The keynote speech **"EU and China Decarbonizing Together"**, was delivered by **Mr Pascal Lamy**, Former Director-General of the World Trade Organization (WTO); Distinguished Professor, CEIBS; Chair of the Paris Peace Forum; Coordinator of the Jacques Delors Institutes and Former EU Commissioner of Trade.

Mr Ivan Houdac moderated a panel discussion with panelists **Markus Beyrer**, Director General, BusinessEurope; **Kurt Vandeputte**, Senior Vice President Battery Recycling Solutions Umicore, Vice-President, EU-China Business Association and Chairman, Flanders-China Chamber of Commerce; **Zhang Haitao**, President, Huayu Automotive Systems Co; **Guido Giacconi**, National Vice President, European Union Chamber of Commerce in China, Co-founder and Chairman, In3act; and **Wang Renxuan**, Assistant Professor of Finance, CEIBS.

Closing addresses were delivered by **Mr Ding Xuan**, Vice President and Dean, Cathay Capital Chair in Accounting, CEIBS, and **Ms. Gwenn Sonck**, Executive Director, EU-China Business Association & Flanders-China Chamber of Commerce.

A full report will follow next week.

Walking dinner with the new Flemish Economic Representatives in China, Mr Koen De Ridder (Beijing) and Mr Frank Van Eynde (Shanghai) – 25 August 2022

The Flanders-China Chamber of Commerce, with the support of Flanders Investment and Trade, organized **a walking dinner with the new Flemish Economic Representatives in China, Mr Koen De Ridder (Beijing) and Mr Frank Van Eynde (Shanghai)**. Before his departure to Beijing, Mr De Ridder gave a presentation on **the economic and societal tendencies in China (1949 to the present)** on August 25 in Ghent.

A full report will follow next week.

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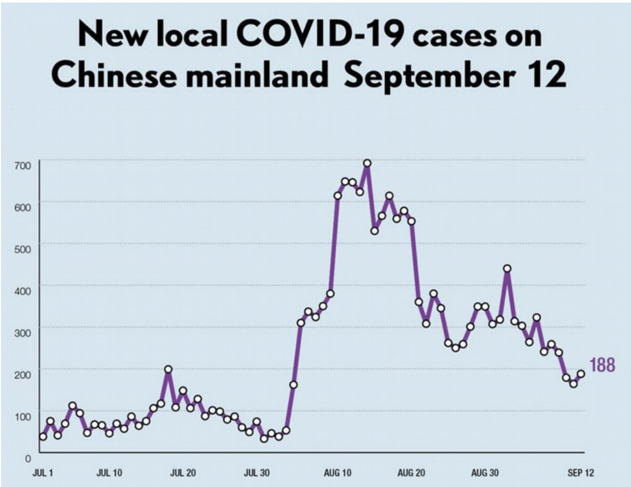
HEALTH

Covid cases reported as students return to campus in Beijing; lockdown in Chengdu extended indefinitely



Beijing is strengthening epidemic control measures as around 230,000 college teachers and students are returning to Beijing for the new semester and Covid-19 cases were detected at the Communications University of China and at the Beijing University of Chemical Technology (BUCT) in Changping county, but authorities said the outbreak was controllable. Xu Hejian, Spokesman for the Beijing municipal government, said people from cities or counties where there are one or more confirmed cases reported in the previous seven days should not come to Beijing and people who have already entered Beijing should not go to crowded places or gatherings for seven days.

Shanghai's annual Lujiazui financial forum has been postponed the day before it was scheduled to start after one new Covid-19 infection was detected for the first time in a week. The forum could still be held later this year. The forum, started in 2009 to help transform Shanghai into a global financial center, is co-hosted by the city government, the People's Bank of China (PBOC), the China Banking and Insurance Regulatory Commission (CBIRC) and the China Securities Association. Guo Shuqing, Chairman of the CBIRC, and Gong Zheng, Shanghai's Mayor, were slated to co-chair this year's forum, with the main theme of using financial resources to stabilize economic growth.

Meanwhile, **large parts of Chengdu, capital of Sichuan province remain in a lockdown imposed on September 1.** New cases have this month been reported in 29 provincial-level areas.

Authorities in Shenzhen temporarily reduced the city's daily quarantine quota for Hong Kong arrivals to 1,000, as Shenzhen needed to mobilize more resources to contain Covid-19 cases in the city. Under the mainland's "7+3" entry regime, travelers to Shenzhen from Hong Kong must obtain a valid booking for seven days at a quarantine facility, before undergoing three days of isolation at either their home, a community isolation center or a hotel. The daily quota would be restored to 2,000 once the epidemic situation in Shenzhen was under control.

Some observers are speculating that **China could relax its strict zero-Covid policy as President Xi Jinping is to make his first trip abroad** since the start of the Covid-19 pandemic in December 2019, besides a trip to Myanmar in January 2020. Xi will visit Kazakhstan and then travel on to Uzbekistan for a Shanghai Cooperation Organization (SCO) summit. Li Zhanshu, No 3 in the Communist Party and Chairman of the National People's Congress (NPC), also traveled abroad last week, visiting Russia. Their trips might indicate that Chinese leaders are now more confident traveling abroad.

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

PRIVATE ENTERPRISES

China's top 500 private enterprises: revenues up 9%, profits down 12%

China's major private-sector enterprises are seeing steady improvement in revenue and technological innovations but are also facing drops in profitability and operational efficiency, according to an annual report on the top 500 Chinese private enterprises by the All-China Federation of Industry and Commerce (ACFIC). The Top 500 private companies booked total revenue of CNY38.32 trillion last year, which represents a 9.13% year-on-year growth. "In the face of rising economic uncertainty amid the Covid-19 pandemic, Chinese private enterprises still made new breakthroughs, epitomized by the total scale, improving quality, optimized size and structure as well as overall technological innovations," said Huang Rong, Vice Chairman of the Federation. The entry threshold for the Top 500 private enterprises reached CNY26.37 billion in revenue for this year's ranking, CNY2.87 billion more than last year, and 88 of the top 500 have total assets exceeding CNY100 billion.

E-commerce company JD topped the list for the first time, with revenue of CNY951.59 billion, followed by Alibaba Group, Hengli Group and Amer International Group. Huawei Technologies Co dropped to fifth this year from first last year. Tencent ranked sixth and property developer Country Garden ranked seventh. A total of 28 Chinese private enterprises were among the world's Top 500 in 2022. However, the report noted that the Top 500 private firms witnessed drops in net profit and operating efficiency in general. They gained a net profit of CNY1.73 trillion last year, down 12.28% year-on-year. China's private businesses, which accounted for over 97% of the country's total market entities last year, and are a primary driver of the country's economic development. They have contributed about 50% of the country's tax revenue, 60% of gross domestic product (GDP), 70% of technological innovation and 80% of urban employment, according to the Ministry of Industry and Information Technology (MIIT). The Top 500 companies accounted for 7.91% of China's total tax revenue.

China's private enterprises have injected strong growth momentum into foreign trade. The export value of the Top 500 companies reached USD245.4 billion, up 85.48% on a yearly basis and accounting for 7.3% of China's total exports, up 2.19 percentage points from the previous year. The total trade value of Chinese private enterprises reached CNY13.68 trillion, up 14.9%, accounting for 50.1% of the country's total foreign trade. Their exports totaled CNY9.3 trillion, up 20.2%.

A recent meeting of the Political Bureau of the Communist Party of China (CPC) said that full play should be given to encourage initiative among enterprises and entrepreneurs so that "state-owned enterprises dare to act, private enterprises dare to develop into new areas and foreign enterprises dare to make investments". The ACFIC report added that the Top 500 Chinese private companies have gained momentum in technological improvements. There are 288 companies among the Top 500 whose R&D staff account for more than 3% of all employees, and the proportion exceeds 10% for 158 companies. In terms of R&D value, Huawei Investment & Holding retained first place with CNY142.7 billion in R&D investment. The number of valid patents increased 53.6% year-on-year, and valid domestic trademark registrations were up nearly 25.4%.

According to the report, the Top 500 private enterprises provided over 10.9 million jobs, accounting for 1.47% of the nation's workers. Among them, JD.com employed the most people for a second consecutive year, amounting to 385,400.

This overview is based on reports by the China Daily and the Global Times.

FOREIGN TRADE

China's foreign trade increases 10.1% in first eight months

China's foreign trade is expected to expand steadily in the coming months, driven by the government's supportive policies and the resilience of its industrial chain in the electro-mechanical industry, experts said. **In August, the value of China's foreign trade in goods grew 8.6% year-on-year to CNY3.71 trillion, and the figure reached CNY27.3 trillion in the first eight months of this year, up 10.1% year-on-year**, according to the General Administration of Customs (GAC). Though the growth rate in August was slower compared with July's 16.6% year-on-year growth, due to the high base last year and a weakening in global demand, China's foreign trade will be able to maintain double-digit growth in the second half of the year, and is expected to be a major driver of economic growth this year. "Many global orders are likely to flow back to China in the fourth quarter as infections with Omicron's new sub-variants have soared in Vietnam, disturbing its supply chain for foreign customers, especially in labor-intensive manufacturing," said Bai Ming, Deputy Director of International Market Research at the Chinese Academy of International Trade and Economic Cooperation in Beijing.

"Bilateral and multilateral free trade deals, such as the Regional Comprehensive Economic Partnership agreement, will be practical tools for China to put its foreign trade growth on a firmer footing," Bai added. The surging cost of production materials and energy prices in Europe and South Korea, as well as declining international shipping freight costs, will ensure global continued demand for Chinese products in the coming months, said Su Qingyi, Researcher at the Chinese Academy of Social Sciences' Institute of World Economics and Politics in Beijing. China's trade with member states of the Association of Southeast Asian Nations (ASEAN) soared 14% on a yearly basis to CNY4.09 trillion between January and August. In addition, its trade with the European Union rose 9.5% to CNY3.75 trillion.

Total trade between China and the United States grew

10.1% year-on-year to CNY3.35 trillion. The country's supportive policies, such as accelerating the negotiation of free trade agreements with more countries and encouraging new trade formats including cross-border e-commerce, will further boost exports, said Ministry of Commerce Spokeswoman Shu Jueting.

Exports of electro-mechanical products, such as computers, vehicles and smartphones, rose by 9.8% year-on-year to CNY8.75 trillion between January and August, accounting for 56.5% of the nation's total export value. Zhou Maohua, Analyst at China Everbright Bank, said the double-digit foreign trade growth in the first eight months of the year reflected China's thriving manufacturing sector and its complete supply chain. "China's export structure has been notably optimized, with the exports of electro-mechanical products proportionately increasing in foreign trade," said Zhou. He said the export growth of China's labor-intensive products also demonstrates that the country's competitiveness in this sector, which has remained cost-effective despite high inflation in many overseas markets. China's exports of labor-intensive products surged 14.1% year-on-year to CNY2.81 trillion in the first eight months, the China Daily reports.

The South China Morning Post adds that **imports grew by 0.3% in August from a year earlier** to USD235.53 billion, down from 2.3% growth in July. "Export growth slowed due to weakening external demand. China needs to rely more on domestic demand than exports, as the global economy is likely to slow down," said Zhang Zhiwei, Chief Economist with Pinpoint Asset Management. "The key challenge China faces is how to strike a balance between domestic economic activities and containing Covid outbreaks." China's total trade surplus was USD79.39 billion in August, compared with an all-time high of USD101.26 billion in July. "Export volumes fell by the most since March, in a sign that slowing global growth and the normalization of consumption patterns is starting to weigh on demand for Chinese goods," said Sheana Yue, China Economist at Capital Economics.

China's imports from Russia surged by 59.3% to USD11.2 billion in August, while exports increased by 26.5% to USD7.996 billion. Following the news that the Biden administration will allow Trump-era tariffs on hundreds of billions of dollars of Chinese merchandise imports to continue while it reviews the need for the duties, imports from the United States declined by 7.4% from a year earlier to USD13 billion in August, while exports fell by 3.8% to USD49.8 billion. In August, China's trade surplus with the U.S. narrowed by 2.4% from a year earlier to USD36.8 billion, down from USD41.51 billion in July.

CHINA NEWS ROUND-UP

29th China Yangling Agricultural High-Tech fair to be held on September 15-19

The 29th China Yangling Agricultural High-Tech Fair is to be held in the Yangling Demonstration Area of Shaanxi province from September 15 to 19. It is expected to accelerate innovation-driven development in agricultural science and technology and boost international cooperation in the sector. Co-sponsored by the Ministry of Science and Technology (MST), the Ministry of Commerce (MOFCOM), the Ministry of Agriculture and Rural Affairs (MARA), the National Forestry and Grassland Administration (NFGA), the National Intellectual Property Administration (NIPA), the Chinese Academy of Sciences (CAS) and the Shaanxi provincial government, the fair will organize a total of 11 major events including the 2022 Yangling Modern Agriculture High-end Forum, the 2022 Shanghai Cooperation Organization Modern Agricultural Development Roundtable Conference and the China-Africa Agricultural Exchange and Cooperation Practice and Prospect Seminar.

Focusing on improving the quality and efficiency of modern agriculture and "being safe, orderly and high-level", this year's fair is to be conducted in a combined model of pavilion, cloud exhibition and field exhibition. The pavilion model enables exhibitors and visitors to communicate and negotiate face-to-face; the cloud exhibition realizes visual presentation and interactive communication through display, negotiation, transaction and service; the field exhibition demonstrates the transformation of modern agricultural scientific and technological achievements. Up to now, 59 exhibition groups and 358 companies have completed the decoration of the cloud exhibition hall and the release of exhibits, produced 11 practical technical lecture videos, and will carry out seven special online promotion activities.

Shi Gaoling, Deputy Secretary of the Party Working Committee of the Yangling Demonstration Area and Deputy Director of the Management Committee of Yangling Demonstration Area, said this year's fair has especially strengthened the protection of intellectual property rights on the platform and the cybersecurity guarantee of the system's online operation, allowing global audiences to browse the exhibition without leaving home. Shi said that the fair will showcase new achievements, latest technologies and innovative models in agri- cultural science and technology. "We set up four concentrated exhibition areas to display new varieties of the modern seed industry, safe and high-quality agricultural products and new agricultural machinery." He said the fair will also create a new platform for international cooperation in agricultural scientific and technological achievements, policies, technologies and trade with representatives from the Shanghai Cooperation Organization (SCO) and countries and regions involved in the Belt and Road Initiative (BRI). First held in 1994, the fair is an agricultural high-tech exhibition with international influence, the China Daily reports.

Opportunities for investment in energy efficiency increasing

Energy efficiency is emerging as a burgeoning market with increasing investment opportunities as China pledged to accelerate the formation of a resource pricing mechanism. "Raising prices of rare resources will spur numerous business opportunities in fields like the circular economy, while more expensive carbon emissions will propel more investors to turn to the new energy sector and green transition of the traditional energy sector while attracting more businesses to relevant markets," said Lin Boqiang, Dean of the China Institute for Studies in Energy Policy at Xiamen University. China has vowed to accelerate the establishment of a resource pricing mechanism that reflects the degree of resource scarcity – as well as the costs of both ecological damage and environmental pollution – at the 27th meeting of the Central Commission for Comprehensively Deepening Reform last week.

"Geopolitical tensions have further accelerated the energy crisis, and remind us of the importance of energy conservation and environmental protection," said Luo Zuoxian, Director of Intelligence and Research at the Sinopec Economics and Development Research Institute. One of the most effective ways to reduce energy consumption is through price regulations that reflect the degree of scarcity and achieve the purpose of practicing efficient use of resources, Luo said. China plans to reduce energy consumption per unit of GDP by 13.5% and carbon dioxide emissions per unit of GDP by 18% during the 14th Five Year Plan period (2021-25). "China aims to price natural resources properly and systematically as there is growing volatility of commodity prices amid geopolitical tensions, and China has come to value the long-term sustainability of its resources. Otherwise, it is easy for the country to use them up too soon before their long-term value is utilized," said Wei Hanyang, Power Market Analyst at research firm BloombergNEF.

According to a report by the Qianzhan Industrial Research Institute, China's market for energy saving and environmental protection will continue to rise, buoyed by the country's goals to peak carbon emissions by 2030 and reach carbon neutrality by 2060, as well as a series of supportive policies. It expects the industry's output to surpass CNY19 trillion by 2027, the China Daily reports.

China remains largest shipbuilding nation with 44% marketshare

China's state-owned shipbuilders are expected to enter a high-growth period this year, driven by global markets' soaring demand for high-end and environmentally friendly vessels as well as the recovery of China's marine economy, according to experts and business leaders. China remained the world's leading shipbuilder in the first seven months, with its market share ranking tops globally in output and in new and pending orders. The country's shipbuilding output hit 20.85 million deadweight tons (DWT) in the January-July period, accounting for 44.4% of the world's total, according to the Beijing-based China Association of the National Shipbuilding Industry (CANSI). New shipbuilding orders, another major indicator in the shipbuilding industry, came in at 25.72 million DWT during the period, representing 51.1% of global market share.

"Rising freight rates and shipping demand have notably boosted both revenue and profit growth of global shipping and energy companies, such as Switzerland-based Mediterranean Shipping Co (MSC), Germany's Hapag-Lloyd and QatarEnergy, formerly known as Qatar Petroleum, over the past two years," said Tan Naifen, Deputy Secretary General of CANSI. She said that many companies have accelerated the phasing out of their older ships with high fuel emissions in order to buy new, advanced vessels – mainly containerships, oil tankers and bulk vessels – that meet requirements of the United Nations' international maritime organization to cut carbon emissions in the global shipping business.

"Therefore, dual-fuel engines, and engines powered by liquefied natural gas and liquefied petroleum gas, have become popular choices for global shipowners," she said, adding that China exported USD11.77 billion in vessels of different types from January to July. Hudong-Zhonghua Shipbuilding (Group) Co, a Shanghai-based subsidiary of China State Shipbuilding Corp (CSSC), delivered a mega-container carrier from its Changxing shipyard to MSC in Shanghai in early August. The containership has a capacity of more than 240,000 metric tons of cargo in containers totaling 24,116 TEU, which is the largest capacity of its kind in the world. The ship's delivery indicated that China has entered a new era in the container carrier building industry, experts said. The company will deliver another three containerships of that type in the coming months, the shipbuilder said in a statement. It is 400 meters long, more than 60 meters longer than the world's largest aircraft carrier, and 61.5 meters wide. Its deck covers an area equivalent to nearly four standard soccer fields. China's shipbuilding holding orders rose 15.6% year-on-year to 103.66 million DWT by the end of July, with a global market share reaching 48.1%, according to CANSI, the China Daily reports.

NEVs penetration rate expected to reach 25% this year

Miao Wei, the former Minister of Information and Industry Technology, said that **the target of a 25% penetration rate of new energy vehicles (NEVs) in China could be achieved at the end of 2022**, three years ahead of schedule. He made the remarks at a new-energy vehicle meeting held in Nanjing, capital of Jiangsu province. The New-Energy Vehicle Industry Development Plan (2021-2035) released by the State Council in November 2020 said that sales of NEVs would reach about 20% of total new vehicle sales by 2025. China has witnessed a booming NEV consumption in the past couple of years. The penetration rate was less than 1% 10 years ago. Sales of NEVs in 2012 were only 20,000 units. But at the end of May this year, the number of NEVs on the road reached 11.08 million. China's production and sales of NEVs have ranked first in the world every year since 2015, according to Xin Guobin, MIIT Vice Minister. The development of China's NEV sector has gone “from small to large, and from weak to strong”, and it has become an important force leading the transformation and upgrading of the global automobile industry, Xin said.

Among the world's top 10 best-selling NEVs last year, there were six Chinese brands. Among the top 10 companies in terms of power battery shipments, Chinese battery makers held six places, Xin noted. To boost the industry, the Chinese government issued two medium- and long-term development plans. The first planning period was from 2012 to 2020, and the second from 2021 to 2035. The State Council has established an inter-ministerial coordination system led by MIIT. Governments at different levels launched more than 600 policies to support the development of the industry, including technological innovation and safety supervision, which have promoted the rapid development of the NEV market in China. The sales figures are proof of the industry's rapid rise. Cui Dongshu, Secretary General of the China Passenger Car Association (CPCA), said in July that China's NEV sales accounted for 59% of the world's total. Cui attributed the performance of the Chinese market to the strong growth of domestic NEV consumption and a stable and efficient supply chain.

Chinese automaker BYD said on August 29 that its net income in the first six months of this year tripled from a year earlier, reaching CNY3.6 billion. BYD accounted for 24.7% of the country's NEV sales in the first half, rising 7.5 percentage points from last year, according to the company's filing with the Shenzhen Stock Exchange, the Global Times reports.

President Xi Jinping calls for breakthroughs in core technologies

President Xi Jinping underlined the need to mobilize all of the nation’s available resources to make breakthroughs in core technologies in order to overcome obstacles hindering the country’s development and to gain a competitive edge in key fields. Xi made the remarks at a meeting of the Central Commission for Comprehensively Deepening Reform he chaired. He stressed the need to focus on the nation’s strategic demand in the scientific sector, optimize the allocation of resources for technological innovation, enhance the nation’s strategic forces in science and technology and significantly raise the country’s capacity for overcoming difficulties in technological progress. Xi called for giving full play to the role of academicians in the fields of science and technology as well as engineering in order to allow them to increase their importance in promoting the nation’s high-level technological independence and self-reliance.

The meeting adopted a series of documents, including a guideline on improving the system for making breakthroughs in core technologies in key fields, a guideline on deepening reforms of the academician system and a guideline on comprehensively strengthening the conservation of resources. Participants in the meeting called for pooling the resources of the government, the market and society in order to make breakthroughs in core technologies. They said that efforts should also be made to solve the problems in key fields and major projects that matter to the country’s industrial and economic development and national security. Emphasis should be placed on core technologies with early development advantages and cutting-edge technologies that will set the pace for future development, they said. They also called for energizing the market and allowing enterprises to be the key players in technological innovation.

President Xi also called for implementing the new development philosophy, adhering to the conservation of resources and improving efficiency in the consumption of energy, water, food, land, mineral resources and raw materials. He urged efforts to improve the quality and efficiency of the rural healthcare system to ensure that it suits the needs of the countryside and that people in rural areas can enjoy improved access to healthcare services.

Members of the Commission called for efforts to save resources in the fields of energy, industry and transportation, leverage the role of technological innovation to reduce energy consumption, and lower carbon emissions in the field of production, the China Daily reports.

BASF launches first plant at Zhanjiang Verbund site

German chemical giant BASF launched the first plant at its new Zhanjiang Verbund site in the port city of Zhanjiang, Guangdong province. The new plant will produce 60,000 metric tons of engineering plastic compounds per year for customers in China, bringing BASF’s total annual capacity of engineering plastics in the Asia-Pacific to 420,000 metric tons by 2023. The new plant will enable BASF to meet growing demand from customers, particularly in the automotive and electronics industries. “It is an exciting start for our Zhanjiang Verbund site,” said Martin Brudermuller, Chairman of the Board of BASF. “The inauguration of the first plant paves the way for the site. Upon completion, it will be our third-largest Verbund site globally and a role model for sustainable production both in China and around the world,” he said. The plant will be supplied with 100% renewable electricity, and BASF aims to power the entire Zhanjiang Verbund site with 100% renewable power by 2025.

Board Member Markus Kamieth said the Zhanjiang Verbund site will be built with the latest digital technologies and to the highest safety standards, and it will provide high-quality, low-carbon footprint products and build up stronger business connections with customers in South China, underlining BASF’s commitment to the Chinese market. Kamieth is responsible for BASF Asia-Pacific region. Wang Weizhong, Guangdong Governor, met Brudermuller to further discuss the promotion and acceleration of construction of the Zhanjiang project. Kamieth and Guangdong Executive Vice Governor Zhang Hu also attended the meeting.

Governor Wang added that the project leads the construction of major petrochemical bases in China and even globally, which can be called the “new speed of the new era”. “This fully confirms that Guangdong, a major global production base, not only has a good atmosphere of opening-up and Sino-foreign cooperation, but also has a good business environment to attract international investment,” he said, adding that Zhanjiang is in a key stage of a new round of great development, the China Daily reports.

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- SMEs: €435 (excl. 21% VAT)
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