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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: "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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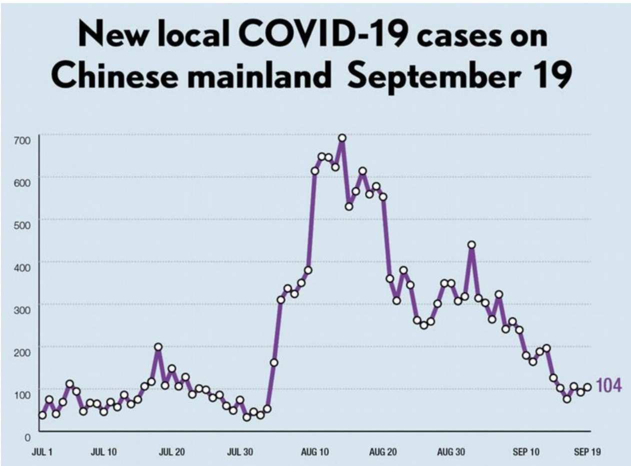
HEALTH

Number of daily confirmed cases nationwide drops to below 100; still several cities in lockdown



Although the number of daily new Covid-19 cases has dropped below 100, several cities remain locked down. China has also strengthened a series of anti-epidemic measures, including advising residents to stay put from September to late October, the National Health Commission (NHC) announced. Afterwards, the tightened measures will be adjusted based on the epidemic situation, authorities said. With the upcoming seven-day October 1 holiday, authorities are worried that increased travel would result in more flare-ups, such as recently occurred in Hainan, Tibet and in Chengdu, capital of Sichuan province. The recent flare-ups in universities in Beijing have been brought under control.

Residents are advised to avoid unnecessary trips and passengers must present a negative PCR test from the last 48 hours before boarding planes, trains, buses or other means of transportation. Cross-provincial passengers are suggested to take nucleic acid tests when arriving at their destinations. Also, a green health code and 72-hour negative PCR test are needed before checking into hotels or entering tourist attractions. Lu Hongzhou, Director of the Third People's Hospital of Shenzhen, said that the virus will keep evolving and mutating. The mutations are uncertain and need more timely monitoring to detect new variants. The long-term focus should be put on the nasal-spray vaccines and the research and development of anti-viral drugs, Lu said. Nasal-spray vaccines could help to bring the pandemic under control, according to the World Health Organization (WHO).

The number of new local Covid-19 cases announced daily exclude asymptomatic cases, but for example on September 18, 352 symptomless cases were reported in Guizhou in addition to 12 confirmed cases. The sudden surge in asymptomatic cases led to hundreds of them and their close contacts to be transferred to quarantine centers. **A bus transporting 47 people crashed** at 2:40 am on September 18 on a highway outside Guiyang, capital of Guizhou province, **killing 27 and injuring 20**.

Domestic tourism declined due to the unpredictable Covid-19 situation and restrictive policies that dented people’s enthusiasm for long-distance travel over the Mid-Autumn Festival holiday. Figures from the Ministry of Culture and Tourism show that the domestic market saw over 73.4 million trips over the three-day break, a decrease of 16.7% year-on-year. The number of trips was around 73% of that in the same period of 2019 before the outbreak of Covid-19. Revenue generated during the holiday was about CNY28.7 billion, falling by 22.8% year-on-year. The number was roughly 61% of that of 2019. Facing uncertainty with regard to travel restrictions in certain places across the country, many instead chose to take short trips closer to home.

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

BIO-TECHNOLOGY

Following semiconductors, U.S. also tries to stifle China's progress in biotech

After **the U.S. government** issued a plan to strengthen the domestic semiconductor sector and prevent U.S. companies from delivering crucial manufacturing equipment and integrated circuits to Chinese companies, it **has also formulated a plan to counter China in the biotech sector**, the South China Morning Post reports.

But the immediate impact of the U.S. government's new plan to strengthen its domestic biotechnology industry will be limited, according to consultants, despite **worries that it could severely hurt Chinese companies in the sector**. Chinese biotech stocks tumbled after U.S. President Joe Biden signed an executive order, outlining plans to bolster research and manufacturing in the American "bio-economy", which covers products derived from biological sources, including medicine and vaccines. Following the news, **shares of Wuxi Biologics in Hong Kong slumped** 20% to HKD53.40 in its biggest decline in seven months. Pharmaron Beijing and Asymchem Laboratories Tianjin Co, two other Hong Kong-listed Chinese pharmaceutical companies, saw their shares drop 15% and 11%, respectively.

While some investors fear the U.S. move could signal further decoupling between the world's two largest economies, **the capital market's response was probably a "knee-jerk reaction**", given the number of companies unrelated to biotech that were caught in the sell-off, said Helen Chen, Greater China Managing Partner for L.E.K. Consulting, an international consultancy.

"The immediate reaction did not discriminate," she said. "It's not just the biologics manufacturers – you had contract research organizations (CROs) doing animal studies, or laboratory research. Pharmaron is actually a lot more into chemistry than it is into biologics manufacturing." Bruce Liu, Partner at strategy consultancy Simon-Kucher & Partners, agreed that it remains to be seen if the executive order has "real teeth". "The near-term impact is more psychological than functional," he said.

The biotech industry has recently emerged as another battlefront in the China-U.S. tech war, with the latest executive order seen as designed to curb American reliance on China for new medicine production. Geopolitical tensions have become particularly pronounced during the Covid-19 pandemic, as supply chain disruptions affected the production and distribution of critical drugs and vaccines. Biden's executive order could have a "huge impact" on Wuxi Biologics and the CRO industry, Dai Ming, Fund Manager at Huichen Asset Management in Shanghai, said. "China will probably lose some of its CRO market share, given most of the companies in the industry have about half of their revenue coming from overseas."

Washington's move is "sensible" in terms of national industrial policy, said L.E.K. Consulting's Chen. "In light of the recent Covid situation, national governments are very much interested in supply chain security, drug security and vaccine security." Still, it does not mean that all biotech manufacturing activities will suddenly shift to the U.S., said Chen. "First of all, there has to be enough capacity in the U.S. to supply everything in the U.S.," she said. "The price has to be comparable with products from other markets. The ability to run the technology has to be comparable, right? So, the business decisions will not be so clear-cut." On the other hand, there has been growing recent interest from international firms in innovations coming out of the Chinese market, Chen said.

Biotech is a key pillar of Beijing's "Made in China 2025" industrial master plan, as the government aims to reduce the nation's reliance on imported drugs. In May, the National Development and Reform Commission (NDRC) released its own development plan, which set 2035 as a goalpost to become a world leader in the sector. An August report by business consultancy McKinsey said that China has created a conducive environment for biotech and pharmaceutical companies to develop drugs and stimulate the market through research, clinical development and manufacturing.

Last month, Chinese biotech firm Jemincare signed a USD650 million licensing agreement with a subsidiary of Swiss-based Roche Group for a prostate cancer drug. In May, American multinational Merck & Co and Chinese firm Kelun-Biotech inked a deal worth nearly USD1 billion for the development of a solid tumor treatment. "We view that as a very strong validation of the level of science that has been reached by companies in China now," Chen said, the South China Morning Post reports.

INNOVATION

Crucial role of high-tech industrial development zones stressed

National high-tech industrial development zones will continue to be used to make new breakthroughs in core technologies, nurture quality talent, enhance global outreach and support China's socio-economic development, officials said. National high-tech development zones have been used to boost China's innovation-driven development strategy. Since 2012, President Xi Jinping has paid over 20 visits to these zones, according to the Ministry of Science and Technology (MST). **As of 2022, there are 173 national high-tech development zones, 84 more than in 2012.** China has also established 23 indigenous innovation demonstration zones, 20 more than in 2012, that are supported by these high-tech development zones. The gross domestic product (GDP) of high-tech development zones grew from CNY5.4 trillion in 2012 to CNY15.3 trillion in 2021. These zones contributed 13.4% to China's GDP in 2021 while only using 2.5% of the nation's construction land.

Wu Jiaxi, Deputy Director of the Ministry's Department of Research Commercialization and Regional Innovation, said the high-tech zones have proven to be resilient to risks and can achieve growth despite global uncertainties in recent years. From January to July, the 173 national high-tech development zones achieved **a gross industrial output worth CNY17.5 trillion, an 8.1% growth compared to the same period last year.** This output generated CNY27.4 trillion of revenue, a 7.1% increase over the same period last year. Wu said the Ministry will continue to provide policy support for high-tech zones to achieve stable growth, and encourage investment in key areas such as digital technologies, energy, advanced materials, chemicals and biopharmaceuticals. National high-tech zones are home to 84% of China's State Key Laboratories and 78% of the national technological innovation centers. As a result, high-tech zones have become a key hub for quality science and technology talent, Wu said.

The Ministry will continue to support high-level talent working in these zones. For instance, the national high-tech zone in Changsha, Hunan province, will invest CNY1 billion over the next three years to attract talent. Small and medium-sized tech companies are key contributors to the growth of national high-tech zones, he said. This will require the Ministry to support these companies with tax breaks, new investments and help them commercialize their scientific and technological output.

The number of national high-tech zones with an annual revenue of more than CNY100 billion has grown from 54 in 2012 to 97 last year. By the end of 2021, national high-tech zones were home to over 4,400 research institutions with over 5.63 million researchers, which was 2.5 times higher than in 2012. The total research and development budget in these zones has more than tripled in the last decade, surpassing the CNY1 trillion milestone in 2021. The number of high-tech companies in national high-tech zones also increased from less than 20,000 in 2012 to 115,000 last year.

With these resources, high-tech zones have made numerous breakthroughs in quantum technologies, high-speed rail, the Beidou satellite navigation system, the C919 passenger jet, 5G telecommunications and other fields. China's first artificial intelligence chip, first quantum communication satellite, first vaccines for Covid-19 and many other breakthroughs were achieved by scientists and companies working in high-tech zones. Many of these high-tech products are entering foreign markets. The total exports from high-tech zones made up about 3.2% of China's total exports in 2012 and increased to 24.4% in 2021. More than 47,000 foreign researchers are currently working in these high-tech zones, along with 211,000 Chinese experts who returned home after studying abroad. National high-tech zones had established over 2,200 overseas research institutions by the end of 2021, a 4.6-fold increase compared to 2012, and over 77% of them have implemented policies to support internationalization, the China Daily reports.

CHINA NEWS ROUND-UP

China's exports of heating appliances to Europe grow significantly

China's exports of heating appliances, including electric heaters, electric blankets and heat pumps, have witnessed explosive growth this year as the continent is in the grip of its biggest energy crisis in decades, with natural gas supplies from Russia becoming volatile, industry experts said. The European Union's Statistics Bureau showed that the annual inflation rate of energy prices in the EU reached 38.3% as of July, among which natural gas and electricity prices jumped 52.2% and 31.1%, respectively. Many European countries have hastened efforts to push forward the transition of their energy structures. China's General Administration of Customs said the country's exports of electric blankets and electric heaters skyrocketed 97% and 23% year-on-year, respectively, in the first seven months.

The European market has been a major growth engine for China's home appliance exports. There is surging demand for imported electric heaters, especially in Italy, Belgium, the Netherlands, Spain and Germany, while demand for electric blanket imports more than doubled in Greece, Italy, Poland, Germany and the Netherlands. Currently, China is the main supplier of air source heat pumps to Europe, taking up about 60% of global market share, said the China Household Electrical Appliances Association. In the first half, China's exports of air source heat pumps to Bulgaria, Poland, Italy and Spain soared 614%, 373%, 198% and 71% year-on-year, respectively.

"Russia has cut off gas supplies to several European countries, which has led to price spikes of natural gas and other energy, thus bringing huge demand for energy-saving heating appliances," said Bo Wenxi, Chief Economist at marketing firm Interpublic Group China. Germans bought 600,000 electric heating devices during the first half, up almost 35% from a year earlier, according to market researcher GfK. Sales revenue of China's air source heat pump industry amounted to CNY7.19 billion in the first half, up nearly 30% year-on-year, based on data from ChinaIOL.com, a professional research institute focusing on the home appliances market, the China Daily reports.

60% of key foreign-funded projects in full swing

China's key foreign-funded projects are progressing well, as 60% of the ones that have been put into operation are in full swing, Shu Jueting, Spokesperson of the Ministry of Commerce (MOFCOM), said at a routine press conference. Half of the early-stage projects have been successfully transferred or put into production, and over 30% of the projects that are still under construction have been put into production, she added. She made the remarks as the **22nd China International Fair for Investment and Trade** kicked off in Xiamen, Fujian province. The four-day meeting aims to promote opening-up and bilateral investment opportunities. Shu said that MOFCOM has established a special team for key foreign-funded projects targeted at high-end manufacturing, and the team helps to coordinate and resolve difficult problems in a timely manner. Shu noted that 611 problems and difficulties reported by foreign-funded enterprises and projects have been resolved, and MOFCOM is actively coordinating and speeding up administrative approvals, filing and other matters related to the projects to ensure that they go smoothly.

Data from MOFCOM showed that from January to July, actual foreign investment in large-scale projects with contracted foreign capital of more than USD100 million reached USD66.85 billion, a year-on-year increase of 35%, accounting for 53.9% of China's actual use of foreign capital in the period. **China's actual use of foreign capital rose 21.5% year-on-year to USD123.9 billion in the first seven months of this year**, with investment from South Korea, the U.S. and Japan seeing the fastest growth rates. China is accelerating the introduction of new measures, including a revision of an industry catalog and a number of influential investment fairs, to stabilize foreign investment, MOFCOM said, noting that China remains an attractive destination for global investment, contrary to "capital outflow" rumors hyped by foreign media. MOFCOM said that it will encourage more foreign-funded enterprises to visit the central, western and northeastern regions in China to inspect the business environment and expand investment, the Global Times reports.

EU FDI in China highly concentrated, says the Rhodium Group

China's inflows of foreign direct investment (FDI) may not be as promising as its double-digit growth figures suggest as they are concentrated around a handful of large multinationals, certain sectors and countries, according to new research findings from the New York-based **Rhodium Group**. The study also noted that there could be an acceleration in European firms trying to reduce their dependency on China. "Market conditions have become far more challenging due to restrictive Covid-19 policies, slowing economic growth and rising geopolitical tensions," according to the findings released by Rhodium Group researchers Agatha Kratz, Noah Barkin and Lauren Dudley. "Virtually no new European firms have chosen to enter the Chinese market in recent years," they said. "And acquisitions of Chinese firms have stalled, with greenfield investments increasingly dominating the FDI landscape." European countries are still the third-largest source of FDI into mainland China, following Hong Kong and Singapore.

The Rhodium Group found that **the top 10 European firms investing in China made up nearly 80% of Europe's total investments from 2018 to 2021**, marking a sharp increase from 49% during the 2008-17 period. German carmakers Volkswagen, BMW and Daimler, and chemicals giant BASF, led the way in China, accounting for 34% of all European FDI into China by value in the past four years. Five sectors – cars, food processing, pharmaceutical and biotech, chemicals and consumer products manufacturing – now make up nearly 70% of all FDI, compared with 57% from 2008-12 and 65% from 2013-17, the report showed. **Four countries – Germany, the Netherlands, the United Kingdom and France – made up 87% of the total investment value in the past four years.** German businesses contributed 43% of the money pouring into the world's second-largest economy from Europe. Earlier this month, BASF kicked off initial operations at its €10 billion Zhanjiang plant – the largest investment project ever by a German business in China.

"The first quarter of 2022 was successful for multinational companies operating in several sectors," Massimo Bagnasco, Vice President of the European Union Chamber of Commerce in China told the South China Morning Post. "Despite China's ongoing Covid restrictions, businesses were largely able to maintain their operations and travel to do business within mainland China, although they had to operate within closed-loop systems at the national level. Things have since deteriorated, with a lack of ability to freely move within mainland China now a source of mass uncertainty. Businesses need more certainty and visibility. This is essential not only for companies that are operating in China, but also for attracting new foreign investment. Who is going to invest in a place that they can't travel to and experience first-hand? It is not a matter of geopolitics, but a matter of money and business."

Rhodium's conversations with stakeholders indicated that **smaller European companies are particularly reluctant to accept the growing risks of investing in China**, owing largely to the pandemic and China's accompanying zero-Covid strategy. "We believe it is likely that the gap between the 'chosen few' and the broader swathe of European companies that are reducing their China exposure – either by paring back their footprint on the ground or putting future investments into other markets – could become more pronounced in the years to come," the research firm said.

China's economic recovery continued in August

China's economy continued to show mild improvement in August, as industrial production, retail sales and fixed-asset investment (FAI) growth all beat expectations. Industrial production, a gauge of activity in the manufacturing, mining and utilities sectors, rose by 4.2% in August, year-on-year, the National Bureau of Statistics (NBS) confirmed. This was above the estimates of a rise of 3.9%, according to Wind, a leading provider of financial information services in China, and improving from 3.8% growth in July. Retail sales rose by 5.4% in August, above the expected rise of 4.2% and also up from the 2.7% growth in July. Fixed-asset investment – a gauge of expenditure on items including infrastructure, property, machinery and equipment that Beijing has relied on this year to stem downturn risks – rose by 5.8% in the first eight months, year-on-year, up from a rise of 5.7% from January-July. "China's economy held up slightly better than anticipated last month, but momentum still weakened relative to July amid renewed virus disruptions and factory closures due to power shortages," said Julian Evans-Pritchard, Senior China Economist at Capital Economics.

"September is shaping up to be even worse. And while the current virus wave may have peaked, **activity is set to remain weak over the coming months amid the deepening property downturn, softening exports and recurring Covid-19 disruptions**." China's urban surveyed jobless rate stood at 5.3%, down from 5.4% in July. The jobless rate for the 16-24 age group remained at an elevated level of 18.7% in August, down from a record 19.9% growth in July. "The economy held out against multiple unexpected headwinds in August and showed a positive recovery with the help of more additional supportive policies," the NBS said in a statement.

Some analysts have suggested that the economy could remain weak until the end of the year, following on from the 0.4% gross domestic product (GDP) growth in the second quarter. Beijing has already downplayed the 2022 growth target of "around 5.5%," insisting on a fine balance between growth, security and coronavirus controls. Some investment banks have accordingly lowered their estimates on China's yearly growth to as low as below 3%. Premier Li Keqiang vowed to further expand investment to create more demand and lift confidence amid a "slight fluctuation" in China's economy as it recovers, the South China Morning Post reports.

Largest shipment of EVs leaves Shanghai port for Europe; China to become second-largest vehicle exporter

Ships loaded with 10,000 MG4 electric vehicles left Shanghai's Haitong port for Europe on September 13, marking China's largest single shipment of EVs bound for overseas markets. In the fourth quarter, the hatchback is expected to be sold in around 20 major nations on the continent. By 2023, it will be available in some 80 countries around the world, said SAIC President Wang Xiaoqiu at the model's launch ceremony in Shanghai. The MG4 EV is the first model that SAIC built using its dedicated electric platform. It was developed by SAIC's Chinese and British teams and is based on new car quality standards in different countries. Fu Bingfeng, Executive Vice President of the China Association of Automobile Manufacturers (CAAM), called it the first global model by Chinese automakers. "It opens a new chapter for SAIC and also for China's automotive industry," Fu said.

China's vehicle exports had been low compared with its production as the world's largest vehicle maker. The situation started to change in 2021, when overseas sales doubled to 2.01 million units, ranking only behind Japan and Germany. The surge was mainly driven by China's sufficient car supplies and a wide choice of electric and plug-in hybrid models, according to the CAAM. The growing momentum has continued well into this year. The Association said vehicle exports between January and August hit a record 1.82 million units, up 52.8% year-on-year, with over 340,000 being new electric vehicles. Wang expects China will overtake Germany this year in vehicle exports as Chinese companies are at the forefront of the industry's new trends like electrification and connectivity. "We are charging ahead to overtake traditional giants like Europe, the U.S. and Japan, and we are likely to become the world's second-largest vehicle exporter this year," he said.

Last month, SAIC's overseas sales exceeded 100,000 units for the first time, up 65.7% year-on-year, bringing its total exports so far this year to 580,000 units. Its major markets include Europe and Oceania. Now with the arrival of the MG4 EV, SAIC said Europe will become the first overseas market where its annual sales will reach 100,000 units this year. According to an earlier plan, SAIC aimed to sell at least 240,000 NEVs annually in Europe by 2025 as part of its goal to deliver 1.5 million vehicles to overseas markets that year. Last year, NEV sales in Europe reached 2.3 million units, accounting for 19% of total vehicle sales for the year, the China Daily reports.

Investment in property development drops 7.4% y-o-y in first eight months

China's investment in property development over the first eight months of the year dropped 7.4% year-on-year to CNY9.08 trillion, showing a heightened downward pressure on the sector as real estate developers continued to struggle with liquidity and project delivery issues. But signs of a mild recovery have emerged, as a number of measures have been rolled out across the country to boost housing demand, and as the government's swift plan to restart stalled property projects gradually took effect to stabilize market confidence, analysts said. They noted that China's property market will maintain stable operation and won't pose systematic financial risks to the world's second-largest economy. Over the first eight months of 2022, residential property investment plunged 6.9% year-on-year, according to data released by the National Bureau of Statistic (NBS) on Friday.

Sales of commercial housing in terms of area and revenue dived 23% and 27.9% year-on-year in the January-August period respectively, NBS data showed, narrowing 0.1 and 0.9 percentage points from the first seven months. Among 70 large and medium-sized Chinese cities, 50 recorded price drops from July for new homes, and 56 reported price declines for second-hand homes, an increase of 10 cities and 5 cities from July, respectively. In August, new home prices in first-tier cities rose 0.1% on a monthly basis, while second-hand house prices remained unchanged from July. Observers said that the August data underscore the urgency to stabilize property investment and prevent the index from derailing China's overall fixed-asset investment. "Due to a strained capital pool, real estate developers lack the incentive to purchase land and start new projects, and stimulus should emphasize these two fronts," Yan Yuejin, Research Director at Shanghai-based E-house China R&D Institute, told the Global Times.

According to Yan, the reduced drop in property sales in August provided a positive sign as it points to a recovery on the demand side amid the government's ongoing house easing measures. "Revived demand also indicates that property sales will continue improving and house prices won't fall off a cliff in the following months," he said. Various local governments have issued at least 70 stimulus measures as part of efforts to defuse market risks and tackle the issue of unfinished residential projects. China's Ministry of Housing and Urban-Rural Development, together with the Ministry of Finance and the People's Bank of China (PBOC), the country's central bank, have launched special measures to support cities seeking to address the construction and delivery of stalled residential projects by rolling out special loans offered by the country's policy banks. So far, at least 10 cities have introduced policies such as bailout funds to stabilize local property markets and boost market confidence, the Global Times reports.

Visions on city development shared at World Design Cities Conference in Shanghai

Several speakers shared their visions on city development at the inaugural World Design Cities Conference (WDCC) in Shanghai, including smartphones with foldable screens, electric cars running on roads in Europe, fast and comfortable high-speed rail services, and super-tall skyscrapers that fit into city skylines. The Conference reaffirmed Shanghai's design achievements while promoting the construction of a "City of design." French Designer Philippe Patrick Starck, Wu Guanghui, the Chief Designer of China's home-made C919 aircraft; and Richard Yu, Huawei's Director of Consumer Business, gave keynote speeches during the WDCC's opening ceremony.

Huawei's key research work on wireless technology, smartphones and automobiles is conducted in its Shanghai laboratory, including the latest foldable phone models and smart electric car systems. The city has become a powerful engine for the firm's global research network and is helping Huawei build its own industrial design DNA gradually, according to Yu. Wu noted that the majority of the key design tasks of the C919 have been done in Shanghai. Meanwhile, Shao Jingfeng, Global Design Director at SAIC Motor, China's largest automaker, pointed out that car designing has become a "cross-border" work covering the automotive, artificial intelligence and electronics sectors, and SAIC has set up research facilities globally to meet customized and changing demands. In September, more than 10,000 SAIC electric cars were shipped from Shanghai to the European market.

Tao Guidong, Engineer with CRRC Corp, introduced the latest design innovations of China's high-speed railway, including the CR450 project, which aims to raise train speeds to about 400 kilometers per hour, which will shorten the trip between Shanghai and Beijing to about three hours. Marshall Strabala, Chief Architect of Shanghai Tower, China's tallest skyscraper; and other high-rises worldwide, also attended the opening session. He talked about how to make super-tall skyscrapers (400 meters or taller) fit into a city's skyline. He also emphasized designs for building durability and low carbon.

City Mayor Gong Zheng was present at the opening ceremony. More than 50 forums and activities were held during the WDCC, covering innovations in industry, architecture, fashion, digital and service design. In 2021, Shanghai's creative and design industry output reached CNY1.6 trillion, a figure that is expected to reach more than CNY20 trillion by 2025. The average annual gross domestic product growth of Shanghai's design industry has been more than 10% since 2012, higher than the city's total GDP growth. The WDCC exhibition has 110 brand exhibitors and more than 300 product lines, 20% of them overseas brands, the Shanghai Daily reports.

China's trade with SCO member states up 26% in first eight months

China's trade with other member countries of the Shanghai Cooperation Organization (SCO) reached a record high of CNY1.73 trillion from January to August, jumping by 26 % year-on-year, according to the General Administration of Customs of China (GAC), demonstrating the resilience and vitality of the economic and trade activities among the regional economies. The 800th "Qilu" Eurasian Express train, also dubbed the SCO Express, loaded with goods worth about CNY21 million left the multimodal transportation center of the SCO Demonstration Zone in Qingdao, Shandong province, on September 9 heading to Uzbekistan. The first train service on the route was launched in April 2020. So far, 27 international and domestic train services have been launched at the SCO demonstration zone, reaching 51 cities in 22 countries, including SCO member countries and countries along the Belt and Road.

The growth in trade with SCO members was 15.9 percentage points higher than China's overall growth rate of foreign trade in the same period, accounting for 6.3% of China's total foreign trade value. Exports reached CNY1.07 trillion, an increase of 25.4% year-on-year, while imports were CNY655.01 billion, an increase of 27% year-on-year. Energy, agricultural and machinery goods drove the trend. With the increasing demand for energy from economic recovery and the rising importance for the stability and security of energy and agricultural supplies, the increase in imports of energy and agricultural products has become a bright spot in trade cooperation among member states. In the first eight months, China imported a total of 117 million tons of crude oil, coal and natural gas from other SCO member countries, with a value of CNY372.6 billion, a year-on-year increase of 70.4%, accounting for 56.9% of the total value of China's imports from other SCO member countries. Imported agricultural products amounted to CNY49.24 billion during the same period, a yearly increase of 11%.

From January to August, China's exports of mechanical and electrical products to other SCO member countries amounted to CNY563.96 billion, a year-on-year increase of 19.7%, accounting for 52.6% of the total value of China's exports to other member countries. The export of electronic components, automatic data processing equipment and its parts, and electrical equipment have all reached the CNY10 billion mark, and achieved double-digit growth.

Infrastructure projects have created powerful conditions for the rapid development of regional economic and trade cooperation. The China-Kyrgyzstan-Uzbekistan Highway and the China-Tajikistan-Uzbekistan Highway opened to traffic. The Blagoveshchensk-Heihe highway bridge, the first highway bridge connecting China and Russia across the Heilongjiang River, also officially opened to traffic in June. In addition, the first China-Russia railway bridge linking the city of Tongjiang in Heilongjiang province with Nizhneleninskoye in Russia will be launched soon. As to China-Europe trains, from January to August 2022, 10,622 China-Europe freight trains were dispatched, a year-on-year increase of 6%, compared to 523 SCO Express trains, a year-on-year increase of 46.1%, the Global Times reports.

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