China Business Weekly

2 November 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: The 7 Pitfalls and the 12 Most Common Errors of Public Affairs

8 November 2022 – 10:00 am CET

The Flanders-China Chamber of Commerce, with the support of Flanders Investment & Trade, is organizing a webinar in partnership with Dentons Global Advisors focusing on: **"The 7 pitfalls and the 12 most common errors of public affairs"**. The webcast will take place on **8 November 2022** at **10h00 am CET**.

Making the most of public affairs: considering the odds at stake and faced with an increasingly demanding ecosystem of journalists, policymakers and activists, companies continue to struggle with the challenge of advancing their interests and convincing stakeholders to take positive action.

Key issues to be addressed: this training covers the seven most common errors witnessed in the field of public affairs campaigns, as well as the twelve main mistakes made by lobbyists and ways to overcome them. Finally, we discuss the seven personality characteristics driving the core skills of an ideal lobbyist.

The programme is as follows:

10h00-10h05: Introduction by Ms **Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce

10h05-10h45: Presentation by Mr **Karel Joos**, Partner, Dentons Global Advisors

10h45-11h00: Q&A Session

About the speaker:

Karel Joos, a partner in Dentons Global Advisors, provides his clients with public affairs, corporate communications, and crisis communications consulting, primarily in the industrials, technology, transport, and logistics sectors. Over time, he has developed expertise in healthcare, especially in reimbursements and reputational issues for pharmaceutical companies.

Practical information:

Date and time: November 8, 2022, 10h00 -11h00

Location: Online

Price members: Free

SUBSCRIBE HERE

Webcast: China's Development Priorities and Implications from the 20th National Party Congress – November 9, 2022 – 4 pm CET

The Flanders-China Chamber of Commerce, the EU-China Business Associations and The Conference Board are organizing a webcast focussing on **"China's Development Priorities and Implications from the 20th National Party Congress"**, which will take place on **November 9** at **4 pm CET**.

In this webcast, Mr. **Alfredo Montufar-Helu**, Head of the China Center for Economics and Business, The Conference Board, will talk about the latest trends and developments impacting the Chinese market, how this is shaping the country's development priorities, and what this means in terms of challenges and opportunities for European companies. Alfredo will also touch upon the key takeaways from the historical 20th National Party Congress.

The programme is as follows:

16h00 – 16h05: Introduction by Ms. **Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce/EU-China Business Association

16h05 – 16h45: Presentation by Mr. **Alfredo Montufar-Helu**, Head of the China Center for Economics and Business, The Conference Board

16h45 – 17h00: Q&A Session

Practical information:

Date and time: November 9, 2022, 16h00

Location: Online

Price for Members & Non-Members: Free

SUBSCRIBE HERE

ACTIVITIES SUPPORTED BY FCCC

China Healthcare Summit during the East West Biopharma Summit 13-17 November 2022 – San Francisco

The China Healthcare Summit is one of the best events for European biotech companies to open doors to the Chinese healthcare market and to meet biopharmaceutical companies. Due to Covid travel restrictions, the organizers have decided to hold this year's edition at the East West Biopharma Summit in San Francisco.

What Seminar / info session
Target sector Health and pharma
Target market U.S. and China
When Sunday 13 November to Thursday 17 November 2022
Where San Francisco, U.S.
Who can participate Companies and organizations in the Flanders region
Organization Flanders Investment & Trade

More information and registration till October 27 is available on the website of Flanders Investment & Trade (in Dutch)

China Hi-Tech Fair 2022 – New dates: 15-19 November 2022 – Shenzhen

EU-China Business Association 欧盟中国贸易协会

ENRICH EUROPEAN NETWORK OF RESEARCH AND INNOVATION CENTRES AND HUBS, CHINA

ENRICH invites you – with the support of the EU-China Business Association (EUCBA) – to join the 24th China Hi-Tech Fair! Exhibitors can participate in the online fair, completely free and digital, reaching up to 2 million online visitors. This will be a great opportunity for any organization from business, research, and innovation to promote their products and services in the Chinese market, raising brand exposure and increasing business connections.

In order to register for the China Hi-Tech Fair Digital, all you have to do is send us (**china@enrichcentres.eu**) the application form filled in with your details. The application form can be found in the following **link** . The deadline for applications is 23 October 2022.

Find the promotional leaflet **here**. A presentation about the fair can be found **here**.

The 24th China Hi-Tech Fair will be held both physically and digitally. Join us on the onsite exhibition or take advantage of the online show. CHTF 2022 Digital, a virtual version of the live exhibition, allows you to promote your products and services at the touch of a button, reaching an audience of two million online visitors for free.

China Platform Lecture Café 2022 – 22 November & 13 December

In September 2012, the Ghent University China Platform launched the "*China Platform Lecture Café*" and is delighted to invite you to participate in its 2022 edition where they will address the following interesting topics.

Venue: De Krook - Zaal De Blauwe Vogel, Miriam Makebaplein 1, 9000 Gent

The lecture sessions will also be livestreamed.

Tuesday 22 November – 14:30 – 16:30 CET

"Russia's war against Ukraine sent a shock wave through international politics. From the start, China's stance on the war has been an object of both hopes and fears. Is the world heading for a new cold war between mutually exclusive blocks: China and Russia against the EU and the US? Or is there still a chance to preserve cooperative relations even between states with radically different domestic systems?".

"China, the Great Powers, and the War in Ukraine: Still the Middle Kingdom?" by Prof. Sven Biscop, Faculty of Political and Social Sciences, Ghent University and Director of the Europe in the World Programme at the Egmont – Royal Institute for International Relations in Brussels

Tuesday 13 December: 12:00 – 14:00 CET

"How Confucianism became a world religion" by Prof. Bart Dessein, Department of Oriental Languages and Cultures, Faculty of Arts and Philosophy

Please register [here]

PAST EVENTS

Seminar: "China's Challenges Mount: structural headwinds and the macroeconomic outlook" – October 25, 2022

The Flanders-China Chamber of Commerce and KBC Group – with the support of Flanders Investment & Trade – organized a seminar on **October 25, 2022** in Gent. **Ms. Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce, welcomed the participants to the seminar. Distinguished speaker, **Hans Dewachter**, Chief Economist, KBC Group, delivered an interesting presentation on **"China's Challenges Mount: structural headwinds and the macroeconomic outlook"**.

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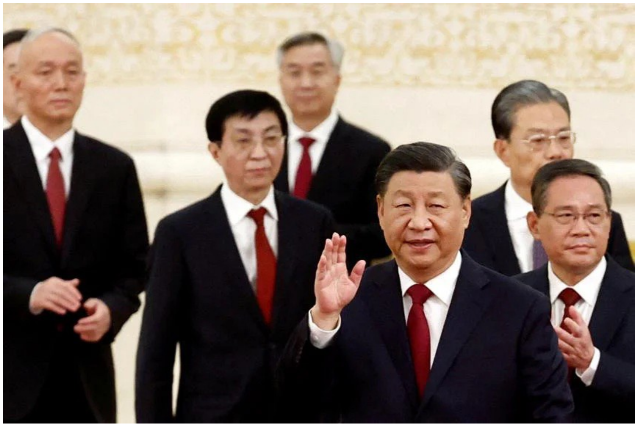
20th CPC CONGRESS

First round of appointments announced after Party Congress



Following the closing session of the 20th Congress of the Communist Party of China (CPC), several appointments have been announced. Former Beijing Party Secretary Cai Qi has become a Member of the Standing Committee of the Politburo and First Secretary of the CPC Secretariat. Beijing Mayor Chen Jining has been transferred to Shanghai to become the city's Party Secretary. He succeeds Li Qiang who is expected to become Premier at the next session of the National People's Congress in March next year. Guangdong Party Secretary Li Xi has stepped down and also joined the Standing Committee and will become Chairman of the Party's Central Commission for Discipline Inspection (CCDI). He will be replaced by Huang Kunming. Yin Yong (53) has been appointed Acting Mayor of Beijing.

Shi Taifeng (66), from Shanxi province, was named head of the United Front Work Department of the CPC Central Committee, while Li Shulei (58) from Henan province, became head of the Publicity Department. Chen Wenqing, formerly Minister of State Security and now a new member of the 24-member Politburo, will succeed Guo Shengkun as Party Secretary of the Central Political and Legal Affairs

Commission. The Commission oversees all legal enforcement agencies, including the police force, national security and intelligence. Chen Yixun has been appointed as the new Minister of State Security.

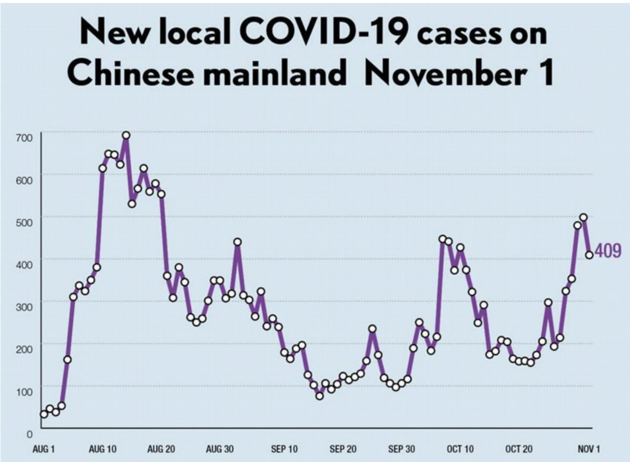
One leader who is up for demotion is one of China's four Vice Premiers, Hu Chunhua (59). He lost his seat in the Politburo, but remains a Member of the Central Committee. That means however, that he will not be able to keep his job as Vice Premier and will certainly not be promoted as some analysts had expected. Hu had been tipped to become a future Premier.

The Standing Committee of the NPC also appointed several officials of Vice Ministerial rank, including one Vice Minister for the Environment, two Vice Commerce Ministers, one Deputy Governor of the People's Bank of China (PBOC) and the Director of the National Railway Bureau.

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

HEALTH

Covid-cases rise again in Guangdong; workers escape from Foxconn plant in Zhengzhou



Covid-19 infections have continued to rise in China's southern manufacturing hub of Guangzhou, prompting lockdowns in more residential areas and daily citywide testing. As Covid-cases surged again in Zhengzhou, workers at Foxconn's plant tried to escape from the factory before an expected lockdown.

In Guangzhou restaurant dining was banned across half the city. Residents said the impact on business had already been huge and they were worried that even more stringent zero-Covid measures would be imposed if the daily caseload kept rising. Infections in the Guangdong capital more than doubled on October 28, climbing to 139 from 65 a day earlier. The total had dropped slightly to 50 on the 26th, from 73 on the 25th. Close to 15.6 million people had Covid-19 tests in the city on October 28. Some districts earlier sent notices warning residents that missed tests would "bring a lot of inconvenience" and could even have "legal consequences". Authorities have issued several notices in the past week stepping up pandemic control measures.

As of October 29, there were 45 high-risk and 79 medium-risk areas across the city, with residents either in partial or full lockdowns. A negative Covid-19 tests from the previous 48 hours is needed to enter marketplaces and shopping malls throughout the city. If the number of high-risk areas keeps increasing, Guangzhou citizens might be required to quarantine after traveling to other areas in the country, preventing them to attend business meetings. Haizhu district, a textile and garments industry hub, remains the hotspot in the latest outbreak in Guangzhou, with a large number of migrant workers and small factories under lockdown, and business and production suspended.

This comes amid **a rebound in Covid-19 cases in Chinese cities including Beijing, Shanghai and Wuhan**, following October's weeklong National Day break and the Party Congress. The Shanghai Disney Resort announced it would temporarily close some retail and park areas, as well as live entertainment shows, citing the need to comply with epidemic prevention and control measures. In Beijing, Universal Studios closed its hotels and attractions "to comply with pandemic prevention and control".

In the central city of Zhengzhou, a negative PCR test taken within the previous 24 hours is required for entry to all premises, including residential communities. **The world's largest iPhone factory, run by Foxconn Technology Group, imposed tough coronavirus control measures** on October 21, including closing the dine-in canteen, to keep production running normally amid a fresh outbreak that has put parts of the city under lockdown. Factory workers were seen fleeing the factory on foot heading back to their hometowns before an expected lockdown. They walked through fields to avoid checkpoints on the roads. Factory managers pledged to arrange safe passage by bus for workers wishing to leave and a sanitized environment for those who choose to stay on.

In a world first, Shanghai last week started administering an inhalable Covid-19 vaccine. The vaccine, a mist that is sucked in through the mouth, is being offered for free as a booster for previously vaccinated people. Scientists hope that such needle-free vaccines will make vaccination more accessible in countries with fragile health systems because they are easier to administer. They also may persuade people who do not like needles to get inoculated. China wants more people to get booster shots before it relaxes strict pandemic restrictions that are holding back the economy and are increasingly out of sync with the rest of the world. As of mid-October, about 90% of Chinese were fully vaccinated and 57% had received a booster shot. The inhalable vaccine was developed by Chinese biopharmaceutical company CanSino Biologics as an aerosol version of the company's one-shot adenovirus vaccine. About a dozen nasal vaccines are being tested globally, according to the World Health Organization (WHO).

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

FOREIGN INVESTMENT

Catalogue updated to attract foreign investment

China has released the 2022 catalogue of industries for encouraging foreign investment to attract more investment and expand opening-up. Analysts said the revised catalogue will help boost foreign investment in key industries like **advanced manufacturing, high- tech, modern services and environmental protection**. It will also help facilitate greater inflow of foreign capital into the country's central and western regions. That will reinforce China's position in global industrial and supply chains and eventually inject more stability into the global economy, they said. To take effect on January 1, **the updated catalogue has 1,474 items, among which 239 are new and 167 are modified** from those in the previous catalogue released in 2020, according to a statement from the National Development and Reform Commission (NDRC).

"The items applicable on the national level continue to focus on encouraging foreign investment in the manufacturing sector to enhance industrial and supply chains," said an NDRC official in the statement. "The modifications of the national items mainly target promoting the integration of services and manufacturing sectors," the official said, adding items for central and western regions are designed in accordance with the specific labor and resource conditions of different places. For instance, new or revised national items in the catalogue cover sectors including aviation equipment manufacturing, key industrial components used in autonomous driving, and high-performance raw materials. They also cover advanced integration technologies and services for low-carbon environmental protection, energy and water conservation, as well as recycling of decommissioned wind turbine blades and photovoltaic module waste.

Zhou Mi, Senior Researcher at the Chinese Academy of International Trade and Economic Cooperation in Beijing, said the revised catalogue has been adapted to China's current external and internal conditions to better attract foreign investment. "As the global economy has seen major changes in supply and demand dynamics and industrial structures since 2020, countries around the world are competing to attract foreign investors, although with differentiated focuses on specific areas," Zhou said. "China is expected to better attract and promote foreign investment under the principle of reinforcing coordination between foreign investment and the development of China's industrial and supply chains," he said, adding that this will further allow for the sharing of China's development opportunities with foreign investors and the rest of the world. Liu Ying, Researcher at Renmin University of China's Chongyang Institute for Financial Studies, said the country's accelerated moves to expand opening-up, as reflected by the revision of the catalogue, will intensify its position as a key player within the global networks of industrial and supply systems.

Against the backdrop of the struggling global economy and industrial and supply chain reconstruction, China's further opening-up will help to build more open, stable and elastic global industrial and supply chains while contributing to new worldwide growth momentum, Liu said. The catalogue was jointly released by the NDRC and the Ministry of Commerce (MOFCOM), the China Daily reports.

The National Development and Reform Commission (NDRC), along with five other Ministries, also **issued 15 measures to facilitate the implementation of foreign-invested projects, with emphasis on the manufacturing sector.** The measures specify the direction and key tasks in utilizing foreign investment in the current and coming period, with the aim of attracting more foreign capital, stabilizing existing foreign investment and improving the quality of foreign investment. It also calls for letting foreign investment boost the high-quality development of the Chinese manufacturing sector so that it further integrates into the global economy. In terms of boosting foreign investment, the document released by the NDRC calls for "converting the opening-up policy into concrete and tangible foreign-invested projects" and pushing the "fast-tracked implementation of signed projects."

The measures call for attracting investment by multinational companies in the medical, semiconductor and chemical industries and foreign investment in high-end equipment, basic components and key parts, modern services, green and innovative technologies. Eligible foreign companies will be allowed to list on Chinese stock markets, including the main board, the sci-tech innovation board and the ChiNext board. Under the premise of ensuring Covid-19 epidemic prevention and control, the measures call for **more streamlined facilitation for**

international travel for foreign company executives, management, key personnel and their relatives. It urged localities to fully use existing fast-track travel channels, including further specifying standards and procedures based on the local situation.

Bai Ming, Deputy Director of the International Market Research Institute at the Chinese Academy of International Trade and Economic Cooperation, told the Global Times that as the first policy package related to the country's opening-up policy after the conclusion of the key Party Congress, **the move signals China's determination in opening up its market to foreign companies and sharing its growth opportunity with more and more foreign companies**. Experts said the emphasis on manufacturing reflects the spirit of the key meeting, which called to upgrade China's manufacturing capacity among other measures to develop the real economy. Yao Jingyuan, Special Researcher at the Counselors' Office of the State Council, said that the high-quality development of Chinese manufacturing needs the participation of foreign companies, and investment in Chinese manufacturing in turn will generate high returns for multinational companies. **Investing in China's manufacturing is investing in the future**, he noted. Investment in the manufacturing sector grew 10.1% in the first three quarters. “Manufacturing is set to further gain pace in the fourth quarter while playing an even more important role in the Chinese economy in 2023,” Yao said, as reported by the Global Times.

CHINA NEWS ROUND-UP

Chinese investment in ports raises a storm in Brussels

The South China Morning Post reports on **a row between Belgian Foreign Minister Hadja Lahbib and the Chinese Embassy in Brussels**, following comments by the Minister on a recent **report by Professor Jonathan Holslag**. The report, entitled **“Every Ship a Warship”**, raised alarm about the “growing politicization and militarization of China’s civilian maritime sector”. State-owned China Ocean Shipping Co owns minority stakes in the Antwerp-Bruges port, a fact that Lahbib said she was uncomfortable with. “I believe above all that in the current context, our eyes are turned to **China, which is a partner, a rival and a potential enemy**. Civilian ships are being modified to potentially become military ships. We have to think about it and be very careful,” Minister Lahbib commented.

Following the comments, **Wu Gang, Minister Counsellor at the Chinese Embassy in Belgium**, requested a meeting with Belgium’s top official for Asia, which took place on October 14. According to a diplomatic cable quoted by the South China Morning Post, Wu **warned that the Minister “must be careful not to listen to irresponsible academics who peddle baseless rumors to harm China**. Maritime trade and economic activity between our ports is a lucrative activity for Belgium which must be respected if it intends to continue”. Chinese diplomats also warned that the comments from Minister Lahbib could jeopardize bilateral trade.

The South China Morning Post adds that the Chinese Embassy in Belgium did not respond to a request for comment. There is debate in Europe about Chinese investments in critical maritime infrastructure as Germany approved a 24.9% investment by Cosco in its busiest container port terminal in Hamburg – despite warnings from six ministries and the European Commission that it could be a national security risk. Defenders of the deal point to the reduced ownership stake Cosco was permitted to take. At less than 25%, it can have no voting rights according to German law. But experts are warning that the company’s efforts to assemble such assets around Europe makes governments less willing to speak out against China when necessary, with the cumulative impact being a dilution of EU foreign policy.

As well as its assets in Belgium and Germany, Cosco, the world’s third-largest shipping company and fifth-largest port terminal operator, also holds minority stakes in ports at Las Palmas in Spain’s Canary Islands, Rotterdam in the Netherlands, and controlling stakes in container terminals at Bilbao and Valencia, also in Spain. Cosco has a stake in Greece's Pireaus port since 2009.

Other Chinese state companies also own port assets across Europe. Through a joint venture with the French shipping giant CMA CGM, the state-owned China Merchants Group (CMG) owns stakes in 13 terminals worldwide. These include Antwerp-Bruges (Belgium), Montoir, Dunkirk, Le Havre, and Fos in France, Thessaloniki (Greece) and Marsaxlokk (Malta). But CMG is not a container shipper, and thus cannot direct container traffic in the way Cosco can, the South China Morning Post reports.

Chinese courts to improve handling of foreign-related cases

Courts in China pledged to beef up research on hot issues related to the international implementation of the rule of law while improving efficiency and quality when handling foreign-related cases, which have seen rapid growth in recent years, according to a report on foreign-related trials that was submitted for review to the the latest session of the Standing Committee of the National People’s Congress (NPC). “We should make and optimize judicial interpretations and supplement rules concerning extra-territorial application of Chinese laws, with more research on cutting-edge issues of international laws," Zhou Qiang, President of the Supreme People's Court (SPC), said when introducing the report to lawmakers. While calling for innovative measures to give easier access to the delivery of verdicts and foreign law ascertainment, he also required courts nationwide to apply more advanced technologies, including big data, blockchain and artificial intelligence, in foreign-related case handling to uphold justice in the digital sphere.

A system of exchanging personnel with foreign law backgrounds among legislative bodies, law enforcement departments, judicial authorities, academies and legal service institutions should also be promoted, with greater efforts in educating international interdisciplinary talent, Zhou said. "We've actively cooperated in the pursuit of fugitives and stolen goods abroad, issuing judicial interpretations to improve procedures for confiscating illegal gains in cases where suspects or defendants flee or die, so that corrupt people had nowhere to escape and illicit gains nowhere to be hidden," Zhou said. "To strengthen the protection of human rights, the handling of foreign-related criminal cases has been regulated, and foreign defendants have been offered lawyers to help with defense," he said.

With offenses involving foreigners effectively handled, Chinese courts have also stepped up efforts in efficiently dealing with foreign-related civil and maritime disputes in the past 10 years, according to the report. **"Those civil trials played a big role in building a sound business environment and a higher-level open economy**, and were highly significant for advancing the modernization of the country's governance system and capacity," Zhou said. Chinese courts concluded about 384,000 cases involving overseas litigants from 2013 to June. The number of civil foreign-related disputes went up to 27,300 last year from 14,800 in 2013.

Of the civil cases, new categories – such as those regarding cross-border e-commerce, bankruptcy, and mergers and acquisitions, as well as financial derivatives investment and China-Europe Railway Express freight waybills – have been frequently emerging, and the involved litigants came from more than 100 countries and regions, the China Daily reports.

Several foreign leaders to visit Beijing this week

Several foreign leaders plan to travel to Beijing this week for talks with the Chinese leadership. German Chancellor Olaf Scholz on November 4 will become the first western leader to visit China since the start of the Covid pandemic in December 2019. He will try to use the opportunity to boost collaboration and offset the impact from geopolitical conflict and economic volatility around the world, observers said. Despite the impact of Covid-19, bilateral trade between Beijing and Berlin has maintained strong growth momentum over the past two years, hitting record highs. Last year, total two-way trade exceeded €240 billion, and China has been Germany's largest trading partner for six consecutive years.

Scholz will be accompanied on his visit to China by a business delegation with representatives from Adidas; Deutsche Bank; Siemens; BioNTech; Volkswagen; BMW; BASF; Wacker Chemie; Bayer and Merck. The presence of BioNTech, the manufacturer of an mRNA Covid-19 vaccine that has not yet been approved for use in China, could be a sign that Beijing is open to licensing the vaccine. French President Emmanuel Macron had raised the idea of a joint visit to Beijing, but Scholz rejected it. The French leader is now expected to visit China early next year. Scholz reiterated that there had been "no vote on deglobalization or to get out of China" among the European Union's 27 member states. The German Greens and Free Democrats (FDP), the two junior partners in the coalition with Scholz's Social Democratic Party (SPD), advocate a tougher policy towards China.

Also visiting Beijing this week are Vietnamese Communist Party Secretary Nguyen Phu Trong, Pakistani Prime Minister Shahbaz Sharifn and Tanzanian President Samia Suluhu Hassan.

Chinese subway trains exported to Portugal, the first such export to the EU

A set of China-produced subway trains were shipped to Portugal through Tianjin port, the nation's first urban railway trains exported to the EU, the General Administration of Customs (GAC) of China announced. The 18 trains produced by CRRC Tangshan Co can hold up to 346 passengers and weigh 28.4 tons each, and can reach a maximum speed of 80 kilometers per hour. The contract was signed in January 2020 between CRRC Tangshan and the Portuguese state-owned enterprise Metro do Porto. Production started in November 2021 and was finished in about eight months. The overall contract value reached €49.57 million and included five years of maintenance, according to China's Ministry of Commerce (MOFCOM).

According to railway information site Railway-technology.com, Metro do Porto is operating a network of six subway lines and 82 stations in Porto, the second-largest city of Portugal, serving more than 71 million commuters in 2019. In order to meet the increasing demands of local residents, Metro do Porto is expanding its metro network. The overall metro expansion project will add seven stations and more than six kilometers of railways to the network, according to the website, and the new subway trains will be deployed on all lines of the local rail network.

Trade between China and the EU reached USD645.95 billion in the first three quarters of 2022. Bilateral trade between China and Portugal came in at USD7 billion during the period, rising by 9.8% year-on-year. China-Germany bilateral trade grew by 0.9% during the first three quarters of the year to USD173.57 billion, far lower than China's overall foreign trade growth of 8.7%. Over the period, China's imports from Germany fell 6.1% to USD84.71 billion, while China's exports to Germany grew 8.6% to reach USD88.86 billion. Among major EU economies, the Netherlands saw its foreign trade with China grow by 19.9% year-on-year during the period, Italy's was up 13.2%, while France's trade with China fell 0.1%, the Global Times reports.

China will need USD25 trillion of green investments by 2050 to reach its net zero goal

The world needs USD100 trillion in green investments to decarbonize and reach net zero carbon emissions by 2050, with China requiring nearly a quarter of those investments, according to **a new report by BNY Mellon Investment Management and Fathom Consulting**. The USD100 trillion in green investments represents around 15% of total global investment over the next 30 years, or around 3% of global gross domestic product (GDP) over the same period. Reaching net zero carbon emissions by 2050 is crucial to limiting temperature increases to the key global warming threshold of 1.5 degrees Celsius above pre-industrial levels.

China will need USD23.8 trillion of green investments, more than any other country, due to the size of its economy and its fast pace of growth, according to the report's authors Shamik Dhar, Chief Economist of BNY Mellon Investment Management, and Brian Davidson, Chief Climate Economics at Fathom Consulting. China was "expected to grow faster than most economies between now and 2050 and more investment, including green investment, will be needed to support this growth," they said. "The sectors that are responsible today for a lot of the global carbon emissions, and the ones that are most exposed to transition risks, are the ones that need to do most of the investment to help get us to net zero," said Fathom Consulting's Davidson at a media briefing. A higher-than-average share of electricity production in China comes from fossil fuels and the country's GDP also has an above-average carbon dioxide intensity, according to the report.

According to the National Energy Administration (NEA), **coal-fired power plants produced 60% of China's electricity in 2021**, making them the largest carbon-emitting sector in the country, followed by the iron and steel sector. **The energy and utilities sectors** face the largest climate transition challenges and **are** therefore **most in need of capital to decarbonize**, and allocating over half of the green corporate investment to these sectors will be crucial in reaching 2050 targets, the report said. Suppliers providing these industries with the means to decarbonize may reap the greatest rewards, and some of the largest beneficiaries are likely to be companies producing battery storage, grid infrastructure and piping for carbon capture, hydrogen and natural gas, the report added.

China accounted for 30% of global carbon-dioxide emissions in 2020, according to BP. "China is a highly relevant market for net zero investors given both the carbon neutrality commitment, but also in light of China's share of global emissions," Hannah Lee, JPMorgan's head of Asia-Pacific ESG equity research, said. She was referring to Chinese President Xi Jinping's pledge in September 2020 that the nation would hit peak carbon emissions before 2030 and achieve carbon neutrality by 2060, the South China Morning Post reports.

Korean chip maker SK Hynix may sell Chinese fab under U.S. pressure

SK Hynix's Chief Marketing Officer (CMO) Kevin Noh said the firm **may sell its Chinese fab in Wuxi**, Jiangsu province, **if Washington's latest export controls make it too difficult to sustain production**, suggesting a potential decoupling between China and South Korea in the semiconductor industry. "We are looking into various scenarios, but again, this would amount to a contingency. So this would be an extreme situation," he said. It was the first time that the company had put forward the possibility of ending manufacturing in China. But in a statement to the South China Morning Post, SK Hynix said the company had never mentioned any plans to quit operations or shut down its facilities in China. "SK Hynix will do its best to ensure stable operation of its facilities in China," the company added.

In October, the U.S. Commerce Department unveiled sweeping updates to its regulations, strengthening export controls on advanced semiconductors and certain chip-making tools for China-based entities. Wafer fabs in China owned by foreign businesses, including SK Hynix's 300-millimeter DRAM wafer fabrication plant, have been granted a one-year grace period, during which they can continue to import equipment from the U.S. Samsung Electronics and Taiwan Semiconductor Manufacturing Co (TSMC) have also received exemptions for their fabs in China. Still, the U.S. restrictions have cast a shadow over the long-term prospects of these firms' Chinese operations because they would eventually lose access to upgraded versions of key technologies and equipment, which would hurt their competitiveness.

SK Hynix was forced to halt a plan to upgrade its Wuxi facility last year because U.S. officials did not allow advanced equipment to enter China. Analysts said SK Hynix and Samsung had to reconsider the costs and benefits of operating in China under the new U.S. regulations. These companies have "no choice but to assess the risks of their plants in China", said Gary Ng, Senior Economist for Asia-Pacific at investment bank Natixis. "It is possible to see more firms selling or relocating their assets out of China to mitigate such risks. Given that the U.S. goal is to freeze China's advances, there may be some flexibility in keeping the existing fabs eventually, but further expansion will be increasingly tricky." A closure of SK Hynix's Chinese plant would deal a heavy blow to China's position in the global semiconductor supply chain.

The Wuxi factory is currently the largest foreign investment project in Jiangsu. It is critical to the global electronics industry, as it is responsible for about half of SK Hynix's DRAM chip output and roughly 15% of the world's production. The Wuxi government built an entire industrial estate with SK Hynix with USD20 billion in investments over 15 years. The company is so important to the local economy that a hospital and primary school were named after SK Hynix, the South China Morning Post reports.

A report by Fathom China, an internal research team at Gavekal Dragonomics, concluded that **many of China's most important semiconductor companies will be "destroyed, damaged, or circumscribed" by the latest**

U.S. measures. "No Chinese company, even peripherally involved in the semiconductor industry, is untouched," the researchers said.

Meanwhile, Chinese group Sai Microelectronics said that it has not received any official document approving its acquisition of Elmos' auto chip production line in Dortmund after media reports said Germany plans to approve the deal. In December last year, Elmos said in a press release that it will sell the wafer fabrication activities in Dortmund to Silex Microsystems for around €85 million.

China's semiconductor imports fell 12.8% to 417.1 billion units in the first nine months of the year, Chinese customs data showed and production of locally made chips plunged 16.4% in September to 26.1 billion units, according to the National Bureau of Statistics (NBS).

High-end home rents drop by 20% in Shanghai as foreigners and wealthy Chinese leave

Rents are falling in Shanghai, with some landlords offering discounts of up to 20%, as expatriate residents and high-income earners leave due to zero-Covid controls in China's commercial hub. Shanghai's average monthly home rent fell 5.6% in September to CNY102.71 per square meter, from August, according to creprice.cn, a real estate industry data provider. Average charges may fall another 1% to CNY101.59 based on quotations of 52,600 flats available for lease. "Homeowners are disappointed" with the sagging housing demand, said You Liangzhou, the owner of the Baonuo real estate agency in Shanghai.

"High-end homes cannot find tenants unless the landlords agree to cut the rates by at least 20%." The decline in the secondary housing market exacerbates the crisis in China's slumping property market, where sales have slowed to a trickle, stifled by the potent combination of a slowing economy and an ongoing mortgage boycott by borrowers, which have left tens of thousands of unfinished homes standing idle.

A three-bedroom apartment in downtown Shanghai would be available for a monthly rent of about CNY20,000 in June, when Shanghai authorities lifted a two-month citywide lockdown. Four months later, the same flat could be rented for CNY15,000, as vacancies have jumped across the city amid an exodus of residents anxious to avoid being caught up again in the zero-Covid drive. Local health officials have found more than 540 infections in Shanghai since October 1, prompting them to lock down tens of thousands of residents in more than 20 residential areas for seven days. Shanghai's anti-Covid measures have upended the city's economy, disrupting everything from multinational manufacturers such as Tesla to corner shops and cafés. American companies in Shanghai said they are more pessimistic than ever before. Shanghai issued more than 215,000 working permits for foreign professionals in 2020, accounting for one-fourth of the total number of foreign employees nationwide. No up-to-date official figures are available to show how many foreigners have left the city this year, the South China Morning Post reports.

The world's largest duty-free shopping mall opened in Haikou

The world's largest stand-alone duty-free shopping mall – the Haikou International Duty Free City Shopping Complex – was opened in Haikou, Hainan province. The shopping mall covers an area of 280,000 square meters and features more than 800 notable brands, including five global firsts and more than 50 stores with the world's latest concept designs. "This is another signature event in the construction of the Hainan free trade port," said Feng Fei, Governor of Hainan province, at the shopping complex's opening ceremony. "Offshore duty-free shopping has become one of the great name cards of Hainan's tourism sector." Last year, about one in two travelers to the tropical island visited duty-free shops and one in six purchased offshore duty-free goods. In 2021, duty-free sales in Hainan accounted for about half of the province's tourism revenue, Feng said. In addition, duty-free imports accounted for about one-third of the province's total traded goods, and sales took up a quarter of the total retail sales of consumer goods in Hainan, he added.

"The shopping complex will provide new and diverse tourism and shopping experiences for consumers. It is expected to attract overseas consumption to return and contribute to building Hainan into an international tourism consumption center," said Meng Li, General Manager of the duty-free complex. The shopping complex is just one zone of the Haikou International Duty Free City project, which comprises about 930,000 sq m. The project has six plots dedicated to duty-free businesses, high-end offices and hotels as well as talent communities.

"China has become a very important global travel destination for the retail sector. Many companies consider China to be among the most important markets or even the No 1 market," said Olivier Salmon, Vice President of Parfums Christian Dior Travel Retail China & Japan, who attended the opening ceremony. "I think Chinese customers are very open-minded in discovering new products, quality luxury and fashion trends." Salmon said he has a lot of confidence in China and Hainan province's consumer market. "Amid the Covid-19 pandemic, Hainan has grown into an attractive shopping destination for domestic consumers. With the development direction to create something unique in Hainan as a free-trade port, it will bring more opportunities," he said.

Currently, the annual tax-free shopping quota in Hainan is CNY100,000 per person. There are 45 categories of duty-free goods and the province is now home to 11 duty-free shops. The sprawling complex brings local cultural forces to the fore. The facility's architectural shape is based on the begonia flower and incorporates elements such as Haikou's natural characteristics and marine culture, the China Daily reports.

JOB ANNOUNCEMENT

TusPark Belgium BV – Business Development and Operations Senior Manager

A1. About us

TusPark Belgium BV (the “Company”) is a Belgian subsidiary of Tus Science & Technology Service Group under Tus-Holdings, incorporated as the Asset Manager of the TusPark Brussels Science Park invested by our Luxembourg based PE/VC fund CLIIF. Tus-Holdings was originated from the former Tsinghua University Science Park (TusPark), the largest University Park in the world.

Tus-holdings is the controlling shareholder or shareholder of a number of listed public companies and more than 300 private companies with total assets over 15 billion US dollars, largely in high-tech and innovative business. Our group has invested and operates over 30 science parks including TusPark HQs and TusPark Cambridge and 160 incubators hosting more than 5000 start-ups worldwide to promote innovation. We inherit the capability of a full supply-chain incubation established by Tus-Holdings with the model of “incubation + investment + M&As”. All these parks/incubators, investment funds, corporates and their subsidiaries in China and abroad form an integrated TUS network.

In Europe, we invest in growth companies and innovative businesses in environment, new energies and new materials, high-end manufacturing, life science and med-tech, AI, digital and fintech industries through our Luxembourg fund CLIIF and co-investments with other TUS funds from China and overseas.

TusPark Brussels Science Park under management of TusPark Belgium BV is a physical platform for incubation and innovation networking which benefits and supports our business development and long-term cooperation with local institutions as partners.

Tuspark Belgium BV is currently recruiting one Senior Manager to manage the physical Science Park/incubator hosted by a top standard office building in Brussels, and supporting our plans in Belgium and other European countries.

2. Tasks & Responsibilities

The Senior Manager will be under the overall guidance of the Director (based in Luxembourg) and his/her job functions will be the management and operation of the Science Park and business development. The Senior Manager will:

- Manage the day- to- day business of the Company and interaction with its Luxembourg parent company, the tenants and start-ups hosted in the park/incubator, as well as the property management company and service providers of the building;
- Develop business plan for the Science Park and execute strategy for outreach, hunting, attracting and onboarding deserving and qualified innovative entrepreneurs, and start-ups.
- Design & manage Incubation and Acceleration programs upon extensive cooperation with TUS HQs, as well as provide high-quality coaching and advisory support to entrepreneurs.
- Qualify and evaluate applicants for creativity, innovation, acceleration and investment stage.
- Provide support to entrepreneurs across ideation, acceleration, investment and scale-up stage, and ensure tight management of milestones and progress of entrepreneurs and start-up companies;
- Guide & support start-ups for fundraising activity; develop and execute an operational and engagement strategy for the entire community including donors, start-ups, investors, corporates, mentors, advisors, and domain experts.
- Provide continued strategic guidance to entrepreneurs in areas such as business
- modeling, sales, and marketing, financing, fundraising, overall strategy, operations etc.
- Be the switchboard for entrepreneurs to access relevant resources and connections, particularly the networking between Belgium and its neighboring European countries with China;
- Lead the selection of well performed spin-offs and start-ups from Belgium for pitching events and road shows organized by Tuspark Brussels Science Park in Belgium and China
- Coordinate visits from TUS HQs and partners in China;
- Perform other tasks and responsibilities assigned by the Director of TusPark Belgium BV.

3. Key qualifications:

- Engineering or Management degree with 5-10 years of relevant work experience. MBA degree is a strong asset;
- At least 5 years experience working with entrepreneurs, start-ups, learning/ tinkering labs, incubator or incubation consultancy.
- Demonstrated ability to cultivate, build and maintain strong working relationships with start-ups, entrepreneurs, mentors, universities, research institutions, industry experts, associations, chamber of commerce & industries, state & central government, and angel investors.
- Experience in Chinese outbound investments with good understanding of the Chinese business culture is also a good reference.
- Fluent in English and Dutch is a must. Other languages such as Chinese or French is a strong asset. Any other European languages will be an advantage.
- Excellent communication skills; ability to communicate effectively in multi-culture

environment; be able to work under pressure and be a team player.

4. Our Offer

Seniority Level: Senior Manager level
Job functions: Management of Science Park/Incubator and Business Development

Employment Type: Full-time

Employment location: Brussels

Our Contacts:

Ms. Shizuna WU, E-Mail: wujing@tuspark.com

Mr. Vincent DOU, E-Mail: doukm@tuspark.com

Your banner at the FCCC website or newsletter

Companies interested in posting a banner/an advertisement on the FCCC website or FCCC weekly newsletter are kindly invited to contact the FCCC at: info@flanders-china.be

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Mr. Luc Delagaye, Member of the Executive Committee, NV AGFA-GEVAERT SA

Membership rates for 2022 (excl. VAT)

- SMEs: €435 (excl. 21% VAT)
- Large enterprises: €1,080 (excl. 21% VAT)

Contact

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

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The FCCC Newsletters are edited by Michel Lens, who is based in Beijing and can be contacted by e-mail michel.jc.lens@gmail.com
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