

China Business Weekly

8 November 2022



FCCC/EUCBA ACTIVITIES

World Youth Scientist Summit (WYSS) 2022 European Event November 9 - Brussels



We are delighted to invite you to the World Youth Scientist Summit (WYSS) 2022 European Event, which will be held in Brussels on November 9th, 2022.

The China Association for Science and Technology and the People's Government of Zhejiang have successfully held the World Young Scientist Summit (WYSS) in 2019, 2020 and 2021, with an aim to promote exchanges and mutual learning, strengthen cooperation in science, as well as to enable more young scientists to realize their aspirations. In 2020, the UN Secretary-General António Guterres sent special congratulatory letters to all participants, demonstrating the importance UN place on the world's youth towards shaping the future.

The Secretariat of the World Young Scientist Summit (WYSS) and the Association of Chinese-European Innovation and Entrepreneurship (ACEIE), together with European Partners (29 universities, research institutions, and business associations across 13 European countries) will co-organize a WYSS 2022 European Event in Brussels on November 9th, 2022 as part of the WYSS 2022.

The theme of the WYSS 2022 European Event will be the major global challenges such as climate change, life science, new materials, digital economy, new energy, smart equipment, etc., focusing on Youth, Internationalization and Science. The event consists of the keynote session, the academic exchange sessions and the panel discussion sessions.

For more details about the event, please click [here](#).

Date: 09.11.2022

Location: Online and Offline, Offline (Tangla Hotel Brussels)

Price members: Free

Price non members: Free

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



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



Alfredo Montufar-Helu
Head of the China Center for Economics and Business
The Conference Board

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 BioCentury-BayHelix

**EAST-WEST
BIOPHARMA
SUMMIT**

NOV 14-16 2022 REDWOOD CITY, CALIFORNIA **NOV 17-18 2022** VIRTUAL

Organized by BioCentury and BayHelix
in collaboration with McKinsey & Co.



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



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

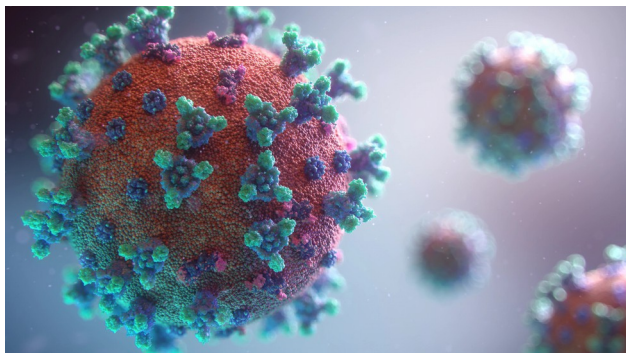
“How Confucianism became a world religion” by Prof. Bart Dessein, Department of Oriental Languages and Cultures, Faculty of Arts and Philosophy

Please register [here](#)

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HEALTH

Zero-Covid policy reconfirmed amid flare-ups; approval of BioNTech mRNA vaccine expected for foreigners



China's National Health Commission (NHC) once again reconfirmed the zero-Covid policy, even after a three-year-old boy in Lanzhou, Gansu province, died in a locked-down compound because Covid-workers did not allow the father to take him to hospital in due time. NHC stressed that the country must strive to control Covid-19 outbreaks with minimal disruption to normal life, in the shortest time and at lowest cost possible, in a bid to correct mistakes from overly strict measures that have caused damage to people's property and lives.

Beijing's epidemic control and prevention work is at a critical period as the capital continues to report cluster infections and imported cases from areas outside the city, the Beijing CDC said. "Beijing continued to report cases at the community level recently, which indicates that hidden transmission risks still exist in the city," the CDC said. The number of high- and medium-risk areas keeps growing in the capital. Companies and institutions in Beijing are advised not to hold annual meetings, training, galas or similar activities. If needed, the meetings should be held online, the authority said. The urban-rural fringe areas and villages have been ordered to strengthen the screening of people coming from outside. As sporadic cases continue to be reported in many places in China in recent days, local governments are carrying out multiple measures to control the virus spreading. Guangdong province reported the highest number of cases since the start of the epidemic in December 2019.

China is expected to approve the use of the BioNTech mRNA Covid vaccine for foreign residents in China. Visiting German Chancellor Olaf Scholz said he hoped that the vaccine would eventually become available to anyone who wants it in China. BioNTech CEO Uğur Şahin was among Scholz's business delegation. BioNTech has repeatedly said it hoped to have its mRNA vaccines approved for use across China. It had been widely expected that even if China allowed broader use of the BioNTech vaccines, they would only be used as a booster shot. A home-grown mRNA vaccine called AWcorna, co-developed by Yuxi Walvax, Suzhou Abogen Biosciences and the Academy of Military Sciences, became available

in China at the end of last year, but has not yet received regulatory approval. BioNTech agreed in May last year to form a joint venture with drug maker Fosun, and had completed the construction of a plant in Shanghai capable of supplying up to 1 billion Covid-19 vaccine doses a year. Fosun was to contribute funding and facilities while BioNTech would license the expertise, but production at the plant has not yet started.

Covid flare-ups depressed October economic indicators. China's official manufacturing purchasing managers' index (PMI) in October came in at 49.2, falling into contraction after the expansion in September, data from the National Bureau of Statistics (NBS) showed. The reading was 0.9 points lower than the 50.1 in September, NBS data showed. The 50-point mark separates growth from contraction. Sub-indexes showed slowing activity in demand and production due to soaring raw material prices, experts said. In October, the production index reached 49.6, down 1.9 points from September. On the demand side, the new order index was 48.1, down 1.7 points from the previous month. The seven-day National Day holidays in October also caused a slowdown in production.

In Foxconn's factory in Zhengzhou, a major manufacturer of Apple's iPhones, production has largely been restored to normal. But Apple warned that iPhone 14 Pro shipments would be delayed due to Covid restrictions at the Foxconn plant. The authorities sent special working groups to conduct PRC testing after a Covid flare-up in the city led to thousands of workers abandoning their posts to return to their hometowns. Those who stayed are receiving bonuses. The company has started a recruitment drive to replace the missing staff.

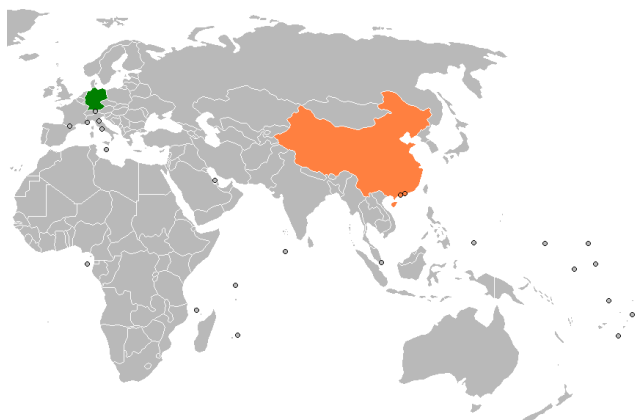
The world still faces the risk of a combined pandemic of Covid-19 and influenza, especially this winter, Chinese respiratory disease expert Zhong Nanshan, said at The World Flu Day 2022 Symposium. He added that more efforts are needed to tackle the scientific problems of influenza prevention and control during the Covid-19 pandemic.

In the U.S., a new committee will be set up to investigate the origin of Covid-19 and how the U.S. can bring home supply chains from China, if the Republican Party gains a majority in the upcoming midterm elections, said House Minority Leader Kevin McCarthy. He added that it would also look into how China was stealing U.S. technology, a charge Beijing has repeatedly denied. Debate over the origin of the pandemic has been overtaken by other issues in recent months, including Beijing's policy on Taiwan and concerns over Western technologies being used to bolster China's military development.

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

FOREIGN TRADE

German Chancellor Scholz visits Beijing, enhancing economic ties



German Chancellor Olaf Scholz traveled to Beijing for an 11-hour visit, meeting the Chinese President and Premier and strengthening economic ties. It was the first visit of a Western leader since the start of the Covid pandemic in December 2019. A delegation with representatives from the largest German companies, including Volkswagen, BASF, Bayer, and BMW, accompanied Scholz.

Premier Li Keqiang said that China is ready to strengthen cooperation with Germany in priority areas such as trade, investment, manufacturing and vaccines. He said that China and Germany are both major economies and the two countries have constantly advanced their pragmatic cooperation to new levels as bilateral exchanges keep growing.

Noting that two-way opening-up and mutual benefit are distinct characteristics of China-Germany pragmatic cooperation, he said trade and economic cooperation represent the cornerstone of bilateral relations. Premier Li also promised to push for more direct flights between the two countries so as to facilitate people-to-people exchanges. He reiterated China's commitment to the policy of reform and opening-up, and the pursuit of mutual benefit and win-win results.

China's door will only open up wider, Li added. Chancellor Scholz said his country does not propose to have any decoupling and it hopes to secure world peace and development, and global economic growth with equal market access. Germany stands ready to work with China to overcome the impact of the Covid-19 pandemic and deepen cooperation on the basis of equality and mutual benefit, he said.

Jochum Haakma, Chairman of the EU-China Business Association (EUCBA), was quoted in the China Daily saying that the timing of Scholz's visit is "very opportune and timely", since Germany is China's biggest European investment and trading partner. "There is a great interdependency between Europe and China, and Germany is one of the biggest players on the European side. Open talks between both leaderships on the highest level to share different perceptions but to strive for reaching

common goals could be very meaningful and could alleviate the pressure which was building up over time by sheer isolation," he said, referring to travel disruptions over the past three years caused by the Covid-19 pandemic. "There lies a huge responsibility on the shoulders of both world powers to act right and not wrong," he said.

Two-way trade between the two countries in the first nine months of this year reached USD173.6 billion. More than 5,000 German enterprises are investing and growing in China, and more than 2,000 Chinese companies are operating in Germany. China Aviation Supplies Holding said it signed orders to buy 140 planes worth about USD17 billion from European aircraft maker Airbus. The purchase agreement includes 132 A320 series aircraft and eight A350 planes.

Martin Wansleben, Managing Director of the Association of German Chambers of Commerce and Industry, said that it is right for Chancellor Scholz to make the visit, as Germany, Europe and the world are dependent on China in many ways as well as in solving emerging problems, including climate change and food security. "Without China, we can never really solve these problems," he said. A German government's spokesperson said that Berlin was against "decoupling" from the Chinese economy and wanted Beijing to show reciprocity in trade relations. Cui Hongjian, Director of the Department of European Studies at the China Institute of International Studies, told the Global Times the business community remains a strong pillar pushing forward China-Germany cooperation because of the great and stable benefits from such cooperation.

China has been Germany's biggest trading partner for the past six years, with value exceeding €245.3 billion in 2021, accounting for 30% of the total trade between China and the EU. The visit is widely acknowledged as an opportunity for face-to-face communication, which is crucial for the two countries to exchange views, manage differences and consolidate common ground, Cui said. China-Germany relations have been transformed from "casting aside differences and seeking common ground" in the past to a new pattern of shared economic interests along with increasing political rifts, Zhao Junjie, Research Fellow at the Chinese Academy of Social Sciences' Institute of European Studies, told the Global Times. Scholz also faces mounting pressure from other EU member states to take a tougher stance over China ties against the backdrop of escalating geopolitical confrontations, observers said.

"It needs to be pointed out that **China's fundamental policy of attracting foreign investment to promote cooperation has not changed and the country is always against "decoupling."** This is because China's economic development has the need for continuous opening-up and more foreign investment as part of its growth momentum. Meanwhile, in the face of the U.S.' containment strategy, it is also important for China to break the U.S.-led "decoupling" push with an open spirit. Broader

opening-up and cooperation with the rest of the world will prove that the U.S. strategy won't work. Sound and stable economic and trade cooperation is based on reciprocity. Therefore, the Chinese market will favor those who are willing to pursue pragmatic cooperation, rather than those who want to "decouple" from China, while profiting from the Chinese market.", the Global Times commented ahead of Scholz's visit.

Bilateral trade between China and Germany rose 0.9% on a yearly basis to USD173.57 billion in the first nine months

of this year. The BASF Zhanjiang Verbund site, the first wholly foreign-funded project in China's heavy chemical industry, was put into operation in September. Investment is expected to increase to €10 billion by 2030. BASF's sales in China in the first three quarters rose 5.8% from a year earlier to €9.2 billion.

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

MNCs launching new products at China International Import Expo (CIIE) in Shanghai



A rising number of multinational corporations are launching their newly developed products and innovative solutions in China at the fifth China International Import Expo (CIIE), which kicked off in Shanghai on November 4. The trend, experts said, demonstrates MNCs' growing confidence that the Expo has evolved over the years into a global platform for foreign trade. It also shows MNCs' high expectation that the larger Chinese market will also benefit from the spillover effect. As many as 284 companies on the Fortune 500 list or industry leaders are present at the corporate exhibitions.

In line with the nation's 14th Five Year Plan (2021-25) and targets through 2035, the CIIE has established special zones for the agricultural industry and artificial intelligence (AI), optimized the special area for low carbon and environmental protection technology, and expanded the innovation and incubation area. More than 150 startups specialized in technological equipment, consumer products, and the medical and automotive fields present themselves at the innovation and incubation area.

President Xi Jinping delivered a keynote speech via video link at the opening ceremony. He renewed China's pledge to widen opening-up, including steps to import more quality products. Xi highlighted the need to remain committed to openness to meet development challenges, foster synergy for cooperation, build innovation momentum and deliver benefits to all. "We should steadily advance economic globalization, enhance every country's dynamism for growth, and provide all nations with greater and fairer access to the fruits of development," he said.

"As the world's first national-level exhibition for imports, the CIIE is a good reflection of China's dual-circulation development model, which is designed to promote internal consumption while opening the domestic market to external trade," said Kentaro Fujiwara, CEO of leading Japanese cosmetics firm Shiseido's China branch. "The Expo has provided a window for Shiseido to showcase its own innovation and achievements to the world. It is also a platform through which we can deepen our involvement in the China market, fully demonstrate our strengths in beauty and innovation, and continue to bring new products and technology to both Chinese and global consumers," he said. At this year's Expo, the Japanese company is displaying more than 40 new products from 22 popular brands. A series of brands, including skincare brand Urara, will make their debut.

More than 1,500 new products, technologies and services made their debut at the Expo over the past four years. Hou Yang, Chairman and CEO of Microsoft Greater China, said the company has attended every CIIE and this one coincides with the company's 30th anniversary in China. The CIIE, he said, has evolved into a good platform to share ideas, connect with customers and partners and share innovations not only from Microsoft but also its customers and partners.

"This year we plan to showcase solutions built on Microsoft technologies – both by local partners seeking to have a greater global impact and international partners seeking opportunities in China," Hou said, adding the company's booth will particularly highlight innovation around sustainability, industry transformation and healthcare aimed at empowering efficiency, resilience and better outcomes.

Frank Meng, Chairman of Qualcomm China, said after more than four years of development, **the CIIE has turned exhibits into commodities and exhibitors into investors.** This has been the firsthand experience of Qualcomm's participation at the CIIE. Zhang Yansheng, Chief Researcher at the China Center for International Economic Exchanges, said: "The fact that the CIIE is organized every year demonstrates that China honors its commitment to high-level opening-up and is sharing its development dividends with others to shore up globalization. A report delivered to the 20th National Congress of the Communist Party of China (CPC) emphasized that the country would promote high-standard opening-up, and this year's CIIE is showing the event has

aligned itself with the goal. Tetsuro Homma, Executive Vice President of Panasonic Holdings Corp, said the company regards the CIE as a strategic global exhibition, and an

important platform for communication with the world. This year, the company will showcase its environmental technologies and solutions, the China Daily reports.

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CHINA NEWS ROUND-UP

Exports and imports down 0.3% and 0.7% in October, respectively

China's exports declined by 0.3% and imports by 0.7% in October compared with a year earlier, down from a 5.7% and 0.3% growth in September respectively. It is the first drop in foreign trade in over two years on weak demand and the effects of the zero-Covid policy. Foreign trade momentum is expected to weaken further in the coming months. "This marks a turning point for export growth," according to Nomura Economists led by Lu Ting. Although China's exports may benefit from a weak yuan and deflation of the producer price index, those benefits could be more than offset by the global slowdown," they added.

Export growth is expected to slip further to minus 4% year-on-year in the last two months of the year. As exports are the single largest driver of GDP growth, the contraction will inevitably weigh on growth, employment and investment, while authorities might even reconsider property curbs. "Nevertheless, we continue to expect no major policy changes in the zero-Covid strategy and the property sector at least until March 2023, Nomura Economists said. Zhang Ziwu, Chief Economist at Pinpoint Asset Management added that he expected export growth to remain weak in the next few months as the global economy slows.

The 10 countries of Association of Southeast Asian nations (ASEAN) continued to be China's largest trade partner, with exports up 20.3% and imports up 4.6% in October year-on-year. Exports to the EU declined by 9%, while exports to the U.S. fell by 12.6%. China's total trade surplus was USD85.15 billion in October, compared with USD84.75 billion in September, the South China Morning Post reports.

Investment arms of China Unicom and Tencent to set up JV

The investment arms of state-owned telecom operator **China Unicom** and internet champion **Tencent** have received unconditional regulatory approval to **set up a new joint venture (JV) that will spearhead telecom innovations in a state-private tie-up.** The JV is to be formed between Unicom Innovation Venture Capital and Shenzhen Tencent Industry Venture Capital Co. In a filing with the Shanghai Stock Exchange, China Unicom said that the new JV will focus mainly on its content delivery

network (CDN) and edge computing businesses, and it has set its sights on indigenous research and development. China Unicom said the new JV has no major impact on its current production and operations, while over the longer run it will strengthen its CDN and edge computing supply chains. Tencent has yet to publicly comment on the new JV. Upon the deal's completion, Unicom Innovation Venture Capital will hold a 48% stake in the JV, Shenzhen Tencent Industry Venture Capital will have a 42% stake, and employees will hold the remaining 10%.

Founded in Beijing in April 2014, Unicom Innovation Venture Capital, ultimately controlled by China Unicom, mainly engages in self-funded investment. The Tencent investment unit, for its part, was created in September 2019 in Guangdong province, principally committed to telecommunications and socializing, digital content and fintech. Lu Shan, Senior Executive Vice President at Tencent also serves as a Board Member at China Unicom.

The JV is likely to capitalize on the strengths of both sides to achieve more secure and self-controlled digital infrastructure, Wang Peng, Assistant Professor at the Gaoling School of Artificial Intelligence at the People's University of China, told the Global Times. As a major telecom operator, China Unicom has advantages in digitalized technological infrastructure, notably base stations and networks. The carrier has also been gaining a foothold in the application market, Wang said. In the case of Tencent, one of the country's top digital economy firms, its portfolio of content operations, websites, apps and user services, will certainly sharpen the new JV's competitiveness as a hybrid champion spanning new infrastructure, platforms and applications, according to analysts.

In another sign of such closer link-ups, **Jingdong Digits Technology Holding Co**, the fintech unit of Chinese retailer JD.com, **signed a strategic cooperation agreement with the Shanghai subsidiary of China Mobile**, the larger peer of China Unicom. Under the agreement, the two sides will jointly advance innovations in smart cities, digital government, data centers, cloud computing and big data, among other areas. Dutch internet conglomerate Prosus and its South African parent Naspers denied media reports that they are in talks to sell their large stakes in Tencent to a group of investors led by Chinese state-owned investment firm CITIC, the Global Times reports.

China expected to keep its dominant position in lithium supply

China is not at risk of losing its dominant position in the lithium supply chain despite ongoing discussions over the creation of a cartel for the metal similar to the one that regulates the global supply of oil, analysts said, as worldwide competition ramps up for the strategic resource seen as pivotal in decarbonization efforts. The Foreign Ministers of Argentina, Chile, and Bolivia – known collectively as the so-called lithium triangle owing to their majority share of the world's identified lithium reserves – are discussing a possible agreement on the production and pricing of the metal, which is an essential component in electric vehicle batteries. "It's unlikely that a lithium organization would be effective enough to challenge the dominance China has," said Chloe Herrera, Analyst with Lux Research. **The three countries of the lithium triangle collectively account for around 56% of the world's identified lithium reserves**, according to estimates from the U.S. Geological Survey, with Argentina and Chile responsible for around 32% of global production. Although Bolivia is believed to be home to the world's largest lithium deposits, it has so far struggled to launch its mining industry.

"China's main advantage is that it controls most of the lithium conversion capacity in the world. Most lithium still needs to pass through China before being used in cathodes and electrolytes," added Herrera. Lithium conversion – also known as lithium refining – is the processing of the raw compound into a form usable in the manufacturing of electric vehicle batteries, such as lithium carbonate or lithium hydroxide. Although China accounts for less than 6% of global lithium reserves, it controls over 60% of the world's lithium refining capacity, according to research by Gavekal Dragonomics, and up to 80% of global lithium-ion battery manufacturing.

Chinese investment in lithium projects around the world could provide leverage in any Opec-style negotiations, said Chris Berry, President and Founder of House Mountain Partners, a consultancy firm specializing in energy metals. "I doubt any Opec-style arrangement is feasible or would have any impact on the lithium market any time soon, if ever," he said. The vastly different means of lithium extraction, from traditional mining to large evaporation pools, also makes standardization across markets difficult to achieve, he said. "Trying to establish a single price for multiple forms of lithium and multiple grades is a fool's errand," Berry added.

The growing sales of electric vehicles and efforts to achieve carbon neutrality have led to skyrocketing demand for lithium in recent years, driving prices to astronomic levels. In 2022, the spot price of processed lithium carbonate shot up by at least 179% to CNY542,000 per ton, according to S&P Global Commodity Insights, from less than CNY40,000 in November 2020. There were 29 lithium producing companies in 2021, but that number is expected to increase to 60 by 2024. Although investments outside China will increase, the country is expected to retain its dominant position in the near future, the South China Morning Post reports.

Canada's government has ordered three Chinese firms

to divest from three of small lithium miners based in the country, days after introducing tougher rules on foreign investments in the critical minerals sectors. Sinomine (Hong Kong) Rare Metals Resources Co is required to divest from Vancouver-based Power Metals Corp, while Chengze Lithium International must exit from Calgary-based Lithium Chile. Zangge Mining Investment (Chengdu) Co was ordered to divest from Ultra Lithium, based in Vancouver. The government ordered the divestiture after "rigorous scrutiny" of foreign firms by Canada's national security and intelligence community, Industry Minister Francois-Philippe Champagne said in a statement.

China is planning a new global navigation system

China plans to establish a next-generation space-based navigation and positioning system by 2035, according to Ran Chengqi, Director of the China Satellite Navigation Office. The system, which has yet to be named, will be accessible to users anywhere, anytime on earth. "The new system will be omnipresent, smarter and more integrated. We plan to complete the system by 2035 and upon its completion, there will be Beidou service not only on land and sea, but also in the sky, outer space and deep within the oceans," Ran said. The current Beidou network consists of satellites in medium and high-altitude orbits while system designers are considering the inclusion of low-orbit satellites in the new system to take advantage of low-orbit communication networks. By doing so, the new-generation system will be able to provide navigation and positioning services with much better accuracy, Ran added.

The current Beidou system will be improved by deploying backup satellites. "We plan to launch three to five backup satellites next year to strengthen the space-based network's stability and reliability," Ran said. A white paper titled "China's Beidou Navigation Satellite System in the New Era" was published. It lays out how China plans to improve the system and pledges to step up international cooperation for better compatibility and interoperability between Beidou and other satellite navigation systems. The white paper is the second of its kind. The first was published in June 2016. Beidou is currently China's largest civilian satellite system and one of four global navigation networks, along with the United States' GPS, Russia's Glonass and the European Union's Galileo.

Since 2000, a total of 59 Beidou satellites, including the first four experimental ones, **have been launched** on 44 Long March 3 series rockets from the Xichang Satellite Launch Center in Sichuan province. Currently, there are 45 satellites in active service. In June 2020, the final satellite to complete Beidou's third-generation network was launched. The following month, President Xi Jinping announced that the system had been completed and had begun providing full-scale global services, the China Daily reports.

Construction of highways increased

China has sped up the construction of highway infrastructure. From January to September, construction began on 299 new expressway and national and provincial highway projects with a total length of 9,645 kilometers and CNY882 billion in investment, Gu Zhifeng, Deputy Director of the Highway Bureau of the Ministry of Transport, said. Among the projects, 34 stretching 2,132 km were started in September, and account for 43.7% of the total road infrastructure investment in the first three quarters of the year. The projects include an underwater tunnel in Jiangsu province, as well as expressways in Sichuan and Yunnan provinces. China built 9,756 km of expressways and national and provincial highways from January to September, with a total investment of CNY557 billion. Last month, several highways and expressways – extending 1,441 km and accounting for CNY125 billion in investment – opened to traffic.

Investment in fixed transportation assets saw a 6.3% growth year-on-year in the first three quarters, maintaining a high increase, to stabilize economic growth and create new space for investment, Gu added. From January to August, investment in transportation-related fixed assets amounted to CNY2.34 trillion, a year-on-year increase of 6.6%. Among them, CNY176 billion was invested in building highways, a year-on-year increase of 9.5%.

Outside China, the China Construction Fifth Engineering Bureau (CSCEC5B) plans to grab greater market share in new types of infrastructure in economies participating in the Belt and Road Initiative. It is expanding its construction activity such as building rail networks, airports, highways, bridges and ports in overseas markets, especially in BRI-related economies. Based in Changsha, Hunan province, the company has 45,000 employees and 26 branches abroad. It has built projects in more than 20 countries, including Algeria, Pakistan, Thailand and Singapore. In 2021, the value of newly signed contracts exceeded CNY10 billion in overseas markets. Over 700 subsidiaries of nearly 70 central SOEs invested a total of CNY400 billion in “new infrastructure” in 2021, according to the State-owned Assets Supervision and Administration Commission (SASAC). These central SOEs plan to invest in more than 1,300 “new infrastructure” projects during the 2021-25 period, with investment amounting to over CNY10 trillion, the China Daily reports.

Tighter guidelines for celebrity endorsements

China further regulated commercial endorsements by celebrities, banning companies from using performers who have engaged in what it calls “illegal behavior or have lapsed morals”, and requiring celebrities to fully know the companies and products they endorse. The guidelines come after some controversy involving celebrity endorsements in recent years, with some celebrities having conducted illegal or false endorsement and individual companies using performers who “lack moral discipline” to endorse their products in pursuit of profit, the Global Times reports.

The chaos has seriously infringed upon consumers' rights and interests, damaged the market order and polluted the social atmosphere, the new guidelines – which came into force on November 1, said. They were jointly issued by seven Chinese government institutions: the State Administration for Market Regulation, the Cyberspace Administration, the Ministry of Culture and Tourism, the National Radio and Television Administration, the China Banking and Insurance Regulatory Commission, the China Securities Regulatory Commission and the China Film Administration.

According to the guidelines, companies should boycott celebrities who have “lapsed morals or who have engaged in illegal behavior” such as drug addiction, gambling, drunk driving, indecent assault, tax evasion and fraud. Celebrity Kris Wu had many commercial endorsements in effect before he was forced out of the entertainment industry due to various scandals. Wu was detained on suspicion of rape after an investigation by the People's Procuratorate in Beijing's Chaoyang district in August 2021. His studio was also embroiled in a contract dispute with Chinese kitchen appliances brand Vatti, which had hired Wu as its spokesperson. The guidelines require celebrities to fully know the companies' background and honestly endorse the products, asking companies to be responsible for the authenticity and legality of the ad content when providing ad scripts to the celebrities.

Famous stand-up comedian Li Dan was fined more than CNY870,000 for an ad for women's underwear that was insulting to women, Beijing authorities announced in August in 2021. They said Li was endorsing a product that he had not used himself. For financial product ads, the guidelines specifically noted that companies should actively and fully disclose product information and potential risks. In July, financial products from Wukong Financial Management that were endorsed by well-known actor Hu Jun were accused of fraud by netizens, the Global Times reports.

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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