China Business Weekly

6 December 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: Belgian Customs and its activities in China – 15 December 2022 – 10 am

The Flanders-China Chamber of Commerce (FCCC) has the pleasure to invite you to a webinar focused on '**Belgian Customs and its activities in China**', which will take place online on **December 15** at **10 am CET**.

This event is free for Members and non-Members of the FCCC.

The programme is as follows:

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

10h05 - 10h20: Procedures and regulations of the Chinese customs and other institutions related to import or export, Ms. **Isabelle Bedoyan**

10h20 - 10h35: Introduction of the Federal Agency for the Safety of the Food Chain (FASFC), Mr. **Leslie Lambregts**

10h35 – 10h50: Support given by FASFC to local companies when exporting to China, Ms. **Annabelle Schreiber**

10h50 - 11h00: Q&A Session

Practical information:

Date: 15.12.2022

Location: Online

Price members: Free

Price non members: Free

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Exclusive luncheon with His Excellency Mr Valdis Dombrovskis, Executive Vice-President and European Commissioner for Trade
19 December 2022 – 11h30 – 'De Warande', Brussels

The EU-China Business Association has the pleasure to invite you to an exclusive luncheon with Mr. **Valdis Dombrovskis**, Executive Vice-President and European Commissioner for Trade at the European Commission. The EU Commissioner will deliver an address on EU-China trade and investment relations.

This exclusive event is a unique opportunity to meet the European Commissioner for Trade and raise subjects you would like to discuss.

This luncheon will take place on Monday, **19 December 2022**, at **11h30** at **'De Warande', Zinnerstraat 1, 1000 Brussels**.

There are limited spaces for this luncheon. If you are interested in participating, please register via the button below before 5 December. The luncheon is certain to be well attended, so we strongly recommend you book now to guarantee your place.

The programme is as follows:

11h30 – 12h00: Registration & Networking Cocktails

12h10 – 12h15: Introduction by **Mr. Jochum Haakma**, Chairman, EU-China Business Association

12h15 – 12h30: Speech on EU-China trade relations by H.E. Mr. **Valdis Dombrovskis**, European Commissioner for Trade

12h30 – 12h40: Q&A Session

14h00: End of luncheon

If you have any specific questions you would like to ask the EU Commissioner, please send an e-mail to info@eucba.org.

In case of any food allergies or special dietary requirements, please inform us before 12 December.

The nearest parking options:

Place des Palais - Paleizenplein

Rue Ducale - Hertogstraat

Parking Loi-Wet which is at walking distance and usually the best option.

Practical information:

Date: 19.12.2022

Location: 'De Warande', Zinnerstraat 1, 1000 Brussels

Price members: €225 excl. 21% VAT (€47.25)

Price non members: €225 excl. 21% VAT (€47.25)

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ACTIVITIES SUPPORTED BY FCCC

China Platform Lecture Café 2022 – 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 session will also be livestreamed.

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

Webinar: "Get to know your partner in China" – December 1, 2022

The EU SME Centre, the EU-China Business Association and the Flanders-China Chamber of Commerce organized a webinar entitled **"Get to know your partner in China"** on **December 1**.

Ms. Gwenn Sonck, Executive Director, EU-China Business Association / Flanders-China Chamber of Commerce, welcomed the participants to the webinar. **Mr. Davide Orlandi**, EU Partnerships Coordinator, EU SME Centre and **Mr. Alessio Petino**, Business Advisor, EU SME Centre, introduced the topic of the webinar "Get to know your partner in China". A Q&A session concluded the webinar.

Webinar: Latest Belgian tax updates and subsidies – November 30, 2022

The Flanders-China Chamber of Commerce (FCCC) – with the support of Flanders Investment & Trade – organized a webinar focussing on: **"Latest Belgian tax updates and subsidies"** on **November 30.**

Ms Gwenn Sonck, Executive Director of the Flanders-China Chamber of Commerce, welcomed the participants to the webinar. **Michaël Vangenechten**, Director with PwC's Global Tax Services, and **Pierre Demoulin**, Manager with the PwC Incentives Hub, talked about the latest Belgian tax updates and subsidies. A Q&A session concluded the webinar.

Hybrid event: Opportunities for Smart Manufacturing Partnerships Between China and the EU – 29 November – Brussels

On 29 November, **Tuspark Belgium** and the **Flanders-China Chamber of Commerce** (FCCC) hosted a hybrid event focused on the opportunities for smart manufacturing partnerships between China and the EU. The event took place at Tuspark Brussels Innovation Center.

Following the opening remarks by **Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce, **Daniel Dexiang Wang**, Managing Partner at Tuspark Belgium, introduced the role of Tuspark and how they can help Chinese companies grow in Europe and assist European companies grow in China. **Luc Semeese**, Vice President Manufacturing Engineering at Volvo Cars, shared Volvo Cars' experience in smart manufacturing. **Steven Levecke**, Partner at Capricorn, introduced the Capricorn Fusion China Fund. Subsequently, several innovative Chinese companies introduced their activities and their expansion plans overseas. Are you interested in finding out more? Contact us: info@flanders-china.be.

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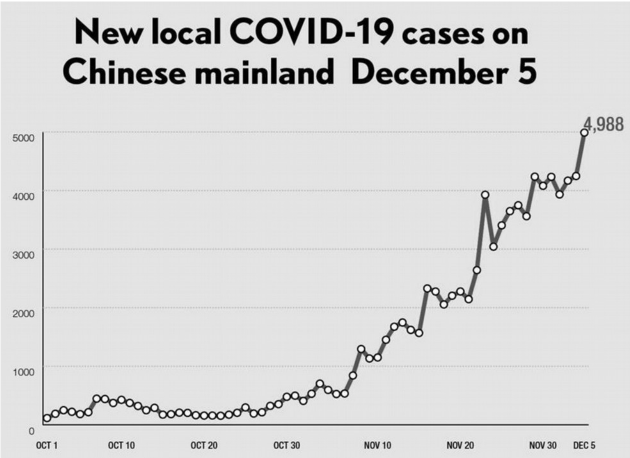
HEALTH

Many cities relax Covid-measures; campaign to vaccinate over-80-year-olds launched



Many cities in China have relaxed Covid-measures in the past week – even as the number of cases was still rising – as the authorities recognized that the Omicron variant was less dangerous compared to earlier variants. The authorities also announced a new campaign to vaccinate those over 80 years old. Vice Premier Sun Chunlan, who has led China's Covid-19 battle for the last three years, signaled a new chapter in the country's pandemic response when she said the Omicron variant was more transmissible but less deadly.

In Beijing, Shanghai, Guangzhou, Chongqing and some other cities, passengers can now take the subway or public buses without having to show they recently took a PCR test. In some cities restaurants and other indoor spaces have reopened, but in most cases proof of a negative test result obtained within the past 48 hours is still required. Some cities only require people working in high-risk occupations or areas to be regularly tested. Beijing residents no longer need to register their personal information to purchase medicines for fever, coughs, sore throats or infections either online or in drugstores.

Some places do not require residents without social activities to participate in mass testing. It is a move to take more targeted, science-based actions to curb flare-ups, authorities explained. Several districts in Guangzhou have advised residents to take nucleic acid testing based on their needs. The elderly staying at home, students taking online classes, employees working from home and other people without community activities no longer need to take Covid tests if they don't go outside. This measure can help relieve the great pressure on daily testing and reduce the infection risk for those staying at home since queuing at testing spots may increase infection risk, Zhuang Shilihe, a Guangzhou-based medical expert said. In Chongqing, residents who live in communities without positive cases in the past five days don't need to participate in mass testing. China released a 20-point circular on further optimizing Covid-19 measures on November 11.

Authorities will accelerate the lifting of unnecessary restrictions put in place after the recent Omicron-fueled outbreaks to reduce economic fallout of the disease control strategies and other inconveniences", National Health Commission Spokesman Mi Feng said. Local authorities must remove all needless restrictions as soon as possible to minimize the inconvenience caused to the public, he told a news conference in Beijing. He called for more efforts to avoid bureaucracy and over-simplicity in the implementation process at the grassroots level, and to respond to sensible public demands.

Cheng Youquan, an official with the National Disease Control Bureau, said the recent surge in public anger is mostly directed at local governments' negligence in meeting the demands of the public in restricted areas, and the "one-size-fits-all" approach, rather than the control measures themselves. Special commissions have been established nationwide to tackle such wrongdoings, and are responding to problems posed by netizens, he added.

Chinese health officials once again called on the elderly to get vaccinated, reiterating the high risk of developing severe disease after infection. About 1.27 billion people in China have completed full vaccination, accounting for 90.28% of the total population, and more than 800 million have received booster shots. China last week rolled out a plan to speed up vaccinations of the elderly – especially those aged 80 and above. It requires localities to extensively survey senior populations and ramp up services and awareness campaigns. To accelerate vaccination, the required period between the primary vaccination and a booster has been reduced from six to three months.

Activity in China's factory and services sectors both slowed further in November amid intensifying coronavirus-related disruptions. The official manufacturing purchasing managers' index (PMI) fell to 48 last month, down from 49.2 in October to the lowest point since April, according to the National Bureau of Statistics (NBS). The official non-manufacturing PMI, which measures business sentiment in the services and construction sectors, fell to 46.7 in November from 48.7 in October, also the lowest since April.

Major European airlines are scheduling more direct flights between Shanghai and Europe. Lufthansa German Airlines added one more weekly flight from Frankfurt to Shanghai beginning on December 5. It will operate three weekly flights between Shanghai and Frankfurt. Austrian Airlines, which is also part of the Lufthansa Group, operates one weekly flight between Shanghai and Vienna. Lufthansa Group currently operates 17 weekly flights between China and Europe, making it the biggest European carrier on China-Europe routes.

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

VIP VISITS

European Council President Michel holds talks with President Xi in Beijing

Charles Michel, President of the European Council, traveled to China for a short visit to hold talks with Chinese President Xi Jinping and Premier Li Keqiang. The Global Times reports that in his meeting with Xi, Michel said that the EU is willing to be a reliable and predictable partner for cooperation with China, and strengthen top-level exchanges and foster cooperation through direct dialogue so the two sides could better face global challenges. He added that the EU is willing to work with China to continue to push forward the Comprehensive Agreement on Investment (CAI) and boost stability and mutual trust on supply chain issues, and deepen cooperation in areas where mutual benefits exist. Michel's visit is seen by Chinese experts and European companies doing business in China as a positive signal, according to the Global Times.

"The visit sends a positive signal and highlights that, despite rising tensions, both sides are continuing to engage with each other to find areas of cooperation," the EU Chamber of Commerce in China said in a statement. European businesses expect that the engagement at the highest political level could set the tone for the overall EU-China relationship. "The visit is a step in the right direction," the Chamber said, noting that "to re-invigorate EU-China relations it will be necessary to continue and deepen engagement at all levels, and to focus on areas where concrete results can be delivered that benefit both sides, including providing reciprocal access to each other's market and ensuring a level playing field".

President Xi Jinping urged the European Union to adopt an objective and correct approach toward China, properly handle differences, promote high-level cooperation in various fields, and work together on global challenges to promote world peace and development. Commenting on Michel's visit, Shu Jueting, Spokesperson of the Ministry of Commerce (MOFCOM), said that China and the EU have developed a strong and symbiotic economic relationship. China attaches great importance to developing ties with Europe and is committed to deepen mutually beneficial cooperation, while keeping global industrial and supply chains stable, and safeguarding institutions and the rules of the world economy, Shu said.

Sun Yanhong, Senior Research Fellow at the Institute of European Studies at the Chinese Academy of Social Sciences, said the visit by Michel signals a change in the EU's stance on China. "It signals the EU's intention of not letting ideological confrontation dominate pragmatic cooperation. It also signals there will perhaps be fewer political obstacles for bilateral trade and economic cooperation in the near future," Sun predicted. He added that even as the CAI is frozen, there are trade and investment issues that the two sides can work on. Europe, facing an energy crisis and a green energy transition, will still need the vital new-energy products made by China, Sun said, predicting that the EU will buy more Chinese solar panels this year and in 2023. China's exports of solar products surged 90.3% year-on-year in the first 10 months this year. The European market accounted for more than half of all solar panels exports, which surged by 85.8%.

It was Michel's first visit to China since assuming the presidency of the European Council. His previous visit to China was as Belgian Prime Minister in November 2016. Michel's visit was preceded by that of German Chancellor Olaf Scholz in early November, during which the German leader rejected economic decoupling and bloc confrontation. Michel's visit is expected to be followed by French President Emmanuel Macron and Italian Prime Minister Georgia Meloni in January 2023.

Hours after Michel's arrival in Beijing, the EU's No 2 foreign policy official, Stefano Sannino, held biannual talks on China with U.S. counterpart Wendy Sherman in Washington. Meanwhile, the EU High Representative for Foreign Affairs Josep Borrell said countries don't want to have to choose between the U.S. and China, and don't want a world that is split into two camps.

At a press conference in Beijing, Charles Michel emphasized that "China is our top trading partner in goods amounting to almost €2 billion every day and China accounts for over 22% of European imports. China's growth in recent decades has benefited both China and the EU and has contributed substantially to China's dramatic economic transformation. But I also set out the difficulties faced by EU companies and investors. On the European side, market access remains very open, while in China several sectors remain much more closed. We need greater reciprocity, we need a more balanced relationship with no over-dependencies, and a real level playing field for our companies. We need to strike the right balance." President Michel concluded: "With China, engaging openly on all aspects of our relationship is the only way forward. We agreed to continue our exchanges in light of the next EU-China Summit in 2023."

In the first 10 months of 2022, China-EU trade hit USD711.4 billion, up 6.3% year-on-year. China is the EU's largest trading partner, and the EU is China's second-largest. Last year, annual China-EU trade exceeded USD800 billion for the first time, and cumulative two-way investment exceeded USD270 billion. In the first eight months, the EU's investment in China reached USD7.45 billion, up 121.5%.

FOREIGN INVESTMENT

Four lists of foreign-invested companies based in Shanghai published

The Shanghai Foreign Investment Association has published four lists of foreign-invested enterprises, ranking them according to sales revenue, import and export value, tax contributions and job creation. A total of 253 foreign-funded companies appeared on the four lists. **Apple Computer Trading (Shanghai) Co** was rated first on the revenue list, **Tech-Com (Shanghai) Computer Co** topped foreign companies in imports and exports, **Porsche (China) Motors** contributed most on the tax list, while **Protek (Shanghai)** offered the most jobs, according to Huang Feng, Chairman of the Association.

Up to 70 of the enterprises on the lists come from the U.S., followed by 33 from Japan and 30 from Germany. “Shanghai will continue to promote investment, optimize the business environment and build the eastern metropolis into a prime choice for global investors,” said Zhu Yi, Deputy Director of the Shanghai Municipal Commission of Commerce.

“Openness and foreign enterprises are important characteristics of Shanghai,” Zhu said. More than 60,000 foreign-invested enterprises in Shanghai contributed a quarter of the city’s GDP, two-thirds of its imports and exports, one-third in tax payments, and one-fifth of employment, making Shanghai one of the world’s most attractive destinations for foreign investment. Zhu described the China International Import Expo (CIIE), which has been held for the past five years and has reported an accumulated USD345 billion in intended transactions, as one of the most important platforms for foreign-funded enterprises entering the China market.

An example is BASF, a major foreign investor in the country’s chemical industry. It set up its first joint venture in China in Shanghai’s Pudong New Area back in the 1980s. Shanghai has become BASF’s China headquarters thanks to the continued investment and business growth for over three decades, said Lou Jianfeng, Chairman and President of BASF China. BASF operates Innovation Campus Shanghai, a global and regional research and development (R&D) hub in the city, the company said. Currently, China contributes more than 15% of BASF’s global business, but this figure is still below expectations as China is the biggest chemical market in the world, and will take up 50% of the world’s chemical market share by 2030. “BASF still has huge room for further growth in the country,” Lou said, as reported by the China Daily.

Multinational companies in different fields from robotics to chemical products are expanding their production facilities in the Chinese mainland, as they view plenty of business opportunities arising in the process of China's industry manufacturing upgrade, a key mission in the country's five-year plan between 2021-25. Switzerland-headquartered ABB opened a fully automated robotics company in Shanghai after several years of construction. The facility is 67,000 square meters in size, and combines both production and research, representing a total investment of USD150 million. The factory will produce 41 of the company's robotics products and 31 robot models, including six-axis robots and painting robots. “China is undergoing a transformation in industrial automation and is at the heart of a global market that we predict will be worth USD130 billion by 2025,” said Sami Atiya, President of the robotics and discrete automation business at ABB. According to Liang Rui, Director of ABB Robotics Division China, the company is speeding up its localization strategy in the country because Chinese companies have shown strong, continued demand for automation. On November 25, U.S. fiber and chemicals plant Invista also inaugurated a new adiponitrile plant in Shanghai with a total investment of over USD1 billion, the largest capital project in the company's history, the Global Times adds.

CHINA NEWS ROUND-UP

China's PV sector maintains strong growth in first 10 months

China's photovoltaic (PV) sector maintained strong growth momentum from January to October, with exports hitting a record high amid surging demand overseas, contributing to the global low-carbon energy transition and energy security. In the first 10 months this year, exports of solar panels hit USD44.03 billion, reaching a record high, up 90.3% year-on-year, data revealed at the annual conference of China's PV industry showed. The value of solar panel export increased 85.8% year-on-year. As demand for PV products in Europe climbs, the share of modules exported to European markets now accounts for more than half of the total, and demand from Spain, Germany, and Poland is growing significantly, Wang Bohua, Chairman of the China Photovoltaic Industry Association, said at the conference. The South American market also showed strong growth, especially from Brazil, Wang noted.

Robust market demand drove strong growth in solar panels manufacturing. In the first three quarters, **the output of four major products – polysilicon, silicon wafers, cells and modules – exceeded last year's total**, with year-on-year growth of more than 40%. “The strong growth of the domestic solar power sector will greatly contribute to the global low-carbon and green transformation, while helping global energy security,” Lin Boqiang, Director of the China Center for Energy Economics Research at Xiamen University, told the Global Times.

China's LONGi Green Energy Technology Co has contributed to the green football World Cup in Qatar, providing all the modules of an 800-megawatt solar farm in al-Kharsaah, west of Doha. The solar plant is Qatar's first non-fossil-fuel power plant, marking a milestone in the country's new energy development. In the first three quarters, the company achieved an operating revenue of CNY87.04 billion, up 54.85% year-on-year, while net profits rose 45.26% to CNY10.98 billion.

In the January to October period, China's new PV installations grew 98.7% year-on-year, the Global Times reports.

Chinese logistics companies investing in air cargo

Chinese logistics companies are beefing up investment in the air cargo segment and expanding their global footprint as part of broader push to build logistics networks across the globe, improve delivery efficiency and ensure the stability and smooth operation of supply chains, experts said. **Ezhou Huahu Airport in Hubei province**, which is backed by Chinese logistics service provider SF Express, recently launched its first all-cargo air route linking Ezhou with Shenzhen in Guangdong province. As **the first dedicated air freight airport in Asia and the fourth of its kind in the world**, Ezhou Huahu Airport is expected to open more than 50 domestic routes and over 10 international cargo routes by 2025, with cargo throughput reaching 2.45 million metric tons.

Wang Wei, Chairman of SF Express, said the company will speed up the construction of Ezhou Huahu Airport and aims to build a world-class international air cargo hub. The airport will open another all-cargo route from Ezhou to Shanghai soon, and is scheduled to add international routes to Osaka and Frankfurt this year. SF Express' freight transit center located at the airport is expected to begin operations in the second half of 2023.

Other logistics firms have invested heavily in providing air cargo services and building global logistics infrastructure. JD Logistics, an arm of Chinese e-commerce platform JD, has received approval from aviation authorities to put its air cargo fleet into operation. The company said it will first cover major cities nationwide and expand in international air cargo markets such as North America, Europe, the Middle East, Southeast Asia, Japan and South Korea by the end of 2025. JD Logistics has launched self-operated overseas warehouses in the United States, Germany, the Netherlands, France, the United Kingdom, Southeast Asia, the Middle East and Australia.

Yang Daqing, Deputy Director of Research at the China Federation of Logistics and Purchasing (CFLP), said air cargo occupies a relatively small portion of China's comprehensive transport system, which cannot meet consumers' fast-growing demand for high-tech products as well as cold chain logistics services covering the transport of fresh commodities and medicines. Cainiao Network, the logistics arm of Alibaba Group, has set up six smart logistics hubs around the world, operates more than 3 million square meters of cross-border logistics warehouses and has over 240 chartered flights for trunk logistics every month. Cainiao has expanded the number of its overseas distribution centers to 12, with a focus on last mile deliveries and smart lockers to optimize and localize its services in destination countries, the China Daily reports.

Chapter on design applications to be added to Patent Law

A regulation on helping implement the Patent Law is being amended in an effort to improve the legal system and promote high-quality development. “**A new chapter concerning design applications will be added** in the regulation to align with international rules, facilitating higher efficiency and quality in the patent review process,” said Zhang Peng, Director of the Department of Treaty and Law of the China National Intellectual Property Administration. She added that the Administration had formed a draft amendment to the regulation and submitted it to relevant authorities for review after soliciting public opinion. The regulation, which features specifics on solving practical problems, if completely revised, will better guarantee the implementation of the Patent Law and take the country's patent sector to the next level, she added.

The Administration is also planning to curb malicious trademark registration by optimizing its authorization procedures, with more research to establish rules for digital

IP protection, according to Zhang. In the past decade, China has seen progress in the rule of law in the IP field. IP protection as a major principle was highlighted in the Civil Code, the nation's fundamental law for regulating civil activities, and punitive damages were also supported in relevant IP laws, including the Patent Law and the Trademark Law. "During the same period, we've also stepped up efforts to introduce the laws and rules on IP protection through short-video sharing platforms to enhance public awareness," said Heng Fuguang, Spokesman for the Administration.

"We've provided videos on Bilibili, a video-sharing service popular among young people, to help educate them to strengthen IP protection, in particular supporting the publication of IP-related books and producing cartoons on inventions," he said. In the face of the country's rising IP disputes, the Administration has encouraged its sub-offices to resolve cases by mediation. From January to October, 16 mediation organizations guided and managed by the Beijing Intellectual Property Office dealt with 11,994 IP-related disputes, of which about 60% were successfully resolved through mediation. "A few mediation committees for cutting-edge sectors, such as those of software, healthcare and information, have also been established," said Pan Xinsheng, Deputy Director of the Beijing office, who added that the mediation has given people easier, highly efficient and low-cost access to solving IP-related cases, the China Daily reports.

Real estate enterprises allowed to proceed with refinancing and M&As

China's real estate enterprises received the green light to resume refinancing and mergers and acquisitions (M&As) after a 12-year suspension by the China Securities Regulatory Commission (CSRC). This may comprehensively and rapidly improve the financing situation of property enterprises, industry experts said. The stable and healthy development of the property market, the CSRC said, is critical for the stability of the financial market as well as the overall economy and society. "This is the last one of three measures, known as 'three arrows', which aim to assist property developers with sufficient financing solutions to ensure the stable development of the sector," said Yan Yuejin, Director of the Shanghai-based E-house China Research and Development Institution.

Yan said that in a bid to solve the financing difficulties of privately-owned property developers, the People's Bank of China (PBOC) and certain government departments have designed a package of policies to expand financing channels to the bond, credit and equity markets. "The CSRC's move to support the refinancing of property companies, in combination with previous loosening measures by financial regulators to support credit expansion and bond financing, is expected to create a friendlier environment and better opportunities for property developers' refinancing," Yan said. An analyst with Yicai Media Group recalled that in October 2010, listed property developers' refinancing was suspended by the CSRC.

Recent relaxations on credit expansion and bond financing, and the speech by CSRC Chairman Yi Huiman to the Annual Conference of the Financial Street Forum 2022, have created expectations that the current restrictions on equity financing will also be eased, said Li Yujia, Chief Researcher at the provincial Policy Research Center of Guangdong. "For the moment, the difficulties and challenges confronting the real estate industry are still there, and more support needs to be given to prime property developers, in terms of improving their balance sheets, aiding their reasonable bond issuances and financing demand, and facilitating mergers and acquisitions in the industry," said Yi.

The CSRC's five measures are aimed at tackling issues like the property sector's mounting capital pressure, and this will help boost industry confidence and stimulate the market. Capital has always been the lifeblood of property developers – and solid performance of property developers, especially those owned privately, is key to boosting market confidence, said Wang Xiaoqiang, Chief Analyst with the Zhuge Real Estate Data Research Center, as reported by the China Daily.

CCPIT approves participation in 15 overseas exhibitions

The China Council for the Promotion of International Trade (CCPIT) has recently approved 15 overseas economic and trade exhibition projects out of a total of 35 to boost exports, which face downward pressure amid weak external demand and domestic Covid-19 flare-ups. The CCPIT said it remains confident about the steady and qualitative development of China's foreign trade. The CCPIT noted that it is actively promoting and approving overseas exhibition projects for key countries, industries and exhibitions, in order to help enterprises gain orders, expand their markets, and promote the stability and quality of foreign trade. The 15 trade exhibitions are to be held in eight countries including Germany, the U.S. and the UAE, between November and February 2023, Sun Xiao, Spokesperson for the CCPIT, said at a press conference. The themes of the projects include textiles, auto parts, sports goods, electronics and consumer goods, with the exhibition scale ranging from 100 square meters to 10,000 square meters, Sun noted.

A total of 35 overseas trade exhibitions have been planned in 14 countries, including Iran, Germany, the U.S., Canada, Mexico, Italy, Australia, France, the UAE, Russia, Japan, India, Bangladesh and Spain. Efforts will also be made to optimize trade and investment services, and guide enterprises to make the best use of the Regional Comprehensive Economic Partnership (RCEP) and other free trade agreements, the CCPIT said. In the first 10 months of 2022, China's trade councils issued 4.411 million certificates of origin, ATA Carnets and commercial certificates to promote foreign trade, an increase of 4.56% over the previous year, according to the CCPIT. The organization said it will also guide enterprises to protect their legitimate rights in the face of U.S. sanctions, the negative impact of the Ukraine crisis, and international economic and trade friction. It also urged the U.S. to review the Section 301 tariffs in a fair and just manner and take this chance to stop imposing additional tariffs on Chinese goods, which is hurting U.S. manufacturers, workers and consumers.

Chinese foreign trade enterprises are facing multiple challenges of weakening external demand, rising costs and insufficient orders against the backdrop of the Covid-19 pandemic and global geopolitical tensions. China's foreign trade rose 9.5% year-on-year in the first 10 months in yuan terms, maintaining steady growth despite weakening demand abroad and geopolitical uncertainties. Wu Chaoming, Deputy Dean of the Chasing Research Institute, told the Global Times that due to high global inflation and production costs, domestic products will have a relative cost advantage. Wu expects the integrity of China's industrial chain to play a prominent role in filling the global capacity gap, as a slow economic recovery and energy shortages weigh on European industrial production.

China's market is an earnings engine for MNCs

The Chinese market has proven to be a reliable earnings engine many multinational firms cannot afford to lose or even neglect in a tough time, as the latest financial reports from many world-renowned brands have revealed. From automobiles to consumer goods, multinationals such as BMW, Yum and L'Oreal logged robust market growth in China in the third quarter. Corporate revenues were boosted despite facing headwinds, including the lingering Covid-19 pandemic, disrupted supply chains, weakened consumer sentiment and rising production costs. For many car manufacturers, China remained a significant source of demand in the quarter.

The BMW Group cited strong sales in China as one of the drivers behind a year-on-year rise in its third quarter revenue by over one-third to nearly €37.2 billion. "Contributing to this were solid pricing for new and used cars, a favorable product mix, and in particular, revenue from its Chinese joint venture," the company said in a news release. The company's sales were down 0.9% to 587,800 units compared with the same quarter of 2021, but its business in China was strong, up 5.7%. Europe, on the other hand, saw an 11.1% decrease in the quarter. Volkswagen Group saw a recovery in China accelerated with a 26% increase in deliveries in the quarter. In particular, regional demand for electric vehicles continued to grow, and deliveries more than doubled year-to-date to 112,700 units.

The catering industry has been one of the hardest hit by the pandemic. However, Yum China's total revenue rose 11% year-on-year to USD2.68 billion, and the company opened 239 new restaurants in Q3. Delivery continued to be a popular option, which contributed approximately 38% of KFC's and Pizza Hut's sales in China in the quarter, an increase of four percentage points from the previous year. Yum China announced on its website that it aims to open approximately 1,000 to 1,200 new stores and make capital expenditures of USD800 million to USD1 billion this year.

Danone's infant milk formula sales registered competitive growth on a high base, while adult nutrition and pediatric specialties reported another quarter of outstanding growth. L'Oreal Group saw its sales on the Chinese mainland in the quarter go up 20.5% yearly to €27.94 billion. In addition, the company said it strengthened its position in e-commerce in China, topping the rankings on short-video sharing platform TikTok, with L'Oreal Paris being No 1 in skincare. Last month, L'Oreal China inaugurated two pioneering projects in Suzhou, Jiangsu province, by laying the foundation of its first direct-to-consumer intelligent center and announcing the opening of its new healthy beauty workshop. Foreign direct investment (FDI) in actual use on the Chinese mainland expanded 15.6% year-on-year to surpass CNY1 trillion in the first three quarters of 2022, the China Daily reports.

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Mr. Johan Verstraete, Vice President Weaving Machines, NV PICANOL SA
Mr. Luc Delagaye, Member of the Executive Committee, NV AGFA-GEVAERT SA

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