

# China Business Weekly

7 March 2023



## FCCC/EUCBA ACTIVITIES

**Webinar: China calling – FIT China testifies (in Dutch) – 10 March 2023 – 10h00 CET**



The Flanders-China Chamber of Commerce and Flanders Investment & Trade are organizing a webinar with the **Flemish Economic Representatives in China** on **10 March 2023 from 10h00 till 11h15**. The webinar will be conducted in the Dutch language.

During this webinar, the **Flemish Economic Representatives**, **Koen De Ridder** in Beijing, **Frank Van Eynde** in Shanghai, **Eva Verstraelen** in Guangzhou and **Siegfried Verheijke** in Hong Kong S.A.R. will talk about the current business climate in their region and the opportunities for companies from Flanders.

**The programme is as follows:**

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

**10h05 – 10h55:** Panel discussion with the Flemish Economic Representatives of Flanders investment & Trade

- **Koen De Ridder**, Flemish Economic Representative in Beijing
- **Frank Van Eynde**, Flemish Economic Representative in Shanghai
- **Eva Verstraelen**, Flemish Economic Representative in Guangzhou
- **Siegfried Verheijke**, Flemish Economic Representative in Hong Kong S.A.R.

**10h55 – 11h15:** Q&A session

**Practical information:**

**Date:** 10.03.2023

**Time:** 10 am – 11:15 am CET

**Location:** Online

**Price members:** Free

**Price non members:** Free

[\*\*SUBSCRIBE HERE\*\*](#)

## ACTIVITIES SUPPORTED BY FCCC

### 6<sup>th</sup> China International Import Expo (CIIE) – November 5-10, 2023 – Shanghai



The 6<sup>th</sup> China International Import Expo (6<sup>th</sup> CIIE) is scheduled to be held physically in Shanghai during the period from November 5 to 10, 2023. Foreign companies including those from the Flanders region are most welcome to take active part in the Enterprise & Business Exhibition. Registration and application are now available and an early bird always catches the worm. We expect this year there may be many applications due to the reopening of China.

For the details of 6<sup>th</sup> CIIE, please download two documents for your kind information from the link <https://we.tl/t-G7L42Sn7Ap>. You may also visit the official website of CIIE for more information <https://www.ciie.org/zbh/en/>. We will keep you updated if there is more information including exhibition and/or supporting activities of the 6<sup>th</sup> CIIE.

---

## PAST EVENTS

### Webinar: “China and the world: the resurrection of geopolitics. What does that mean for businesses?” – 3 March 2023



The Flanders-China Chamber of Commerce (FCCC) organized a webinar focused on “**China and the world: the resurrection of geopolitics. What does that mean for businesses?**” on **3 March 2023**. The speakers at this webinar were Mr **Alexis De Méyère**, Director, PwC Belgium; Dr **Peter Eitel**, Senior Manager, PwC Germany; and Mr **Jens Paulus**, Partner, PwC Germany. A detailed report will follow next week.

## SECTORAL STUDY

### Opportunities for Flanders' companies in the biotech sector in China



**The Flanders-China Chamber of Commerce (FCCC) has made a study with the support of Flanders Investment & Trade (FIT) on opportunities for Flanders' companies in the biotech sector in China. At the request of FIT, the study is published in the Dutch language.**

Biotechnology is one of the sectors in which China wants to excel and reach the top level on a world scale. Other priority sectors are semiconductors, renewable energy, electric vehicles, and new materials. It is useful to consult the 14<sup>th</sup> Five Year Plan and other official planning documents such as the “Made in China 2025” program to learn more about the priorities of the Chinese authorities. In the healthcare sector it is useful to check which are the most common diseases in China because that's what the government will prioritize. This is less so for biotech because everything in this sector is a priority. China started late to reach the top in biotech but has made big strides forward in the past years. It is advisable to follow developments closely. In some sub-sectors China is more advanced compared to other sectors, where it is still lagging behind. Those will be the sub-sectors where foreign companies are most welcome. The aim of the government is for Chinese companies to attain a 70% market share in the domestic market by 2025.

The study looks at investments in the biotechnology sector, the numerous biotech zones, and important institutes and laboratories. It provides an overview of the most important developments in biotech and some of the latest news from companies active in the field. The study introduces the China Biomedical industrial Barometer, but also warns about possible U.S. sanctions which might be imposed on Chinese biotech companies in the future. The study includes some tips for foreign companies doing business in China and provides useful references and contacts.

You can obtain a copy of the study in PDF format by sending a email to : [info@flanders-china.be](mailto:info@flanders-china.be)

---

**Follow the Flanders-China Chamber of Commerce on**  
**[LinkedIn](#) – [Facebook](#) – [Twitter](#) – [Instagram](#)**

---



## NPC & CPPCC SESSIONS

### GDP growth target set at “around 5%” as Premier Li Keqiang delivers annual government work report at NPC



Chinese Premier Li Keqiang delivered his last government work report at the first session of the 14<sup>th</sup> National People's Congress (NPC), which convened at the Great Hall of the People in Beijing on March 5. He is expected to hand over the Prime Minister's job to his successor Li Qiang, a former Party Secretary of Shanghai with no central government experience. Outgoing Premier Li Keqiang (67) said that the Chinese economy faced an unprecedented harsh time last year as he emphasized government efforts to stabilize the economy after China “secured a victory over the coronavirus pandemic”.

He announced that **China will strive to reach a GDP growth rate of “around 5%” this year**, a target the country failed to reach last year with a 3% growth. In the past three years, average GDP growth was 4.5%. The Chinese government aims to create around 12 million new urban jobs this year – more than last year's target of 11 million, but around the same as the 12.06 million new jobs created in 2022. The government also aims to keep the surveyed urban unemployment rate at around 5.5% in 2023, unchanged from last year. China aims to keep inflation at around 3% this year after the CPI increased 2% last year. Premier Li also highlighted China's innovation and hi-tech drive, as well as infrastructure development. China plans a fiscal deficit of 3% in 2023, compared to 2.8% last year. The quota of special-purpose bonds for local governments will be increased to CNY3.8 trillion from last year's CNY3.65 trillion.

**Li said China should aim to build self-reliance in science and technology.** He also called for a bigger role for the government to push key technological breakthroughs, while enterprises should be the drivers of innovation. The Chinese government is concerned about growing external uncertainties this year, as Premier Li mentioned high global inflation, a weaker global economy and the fast rise of “external containment”. He said the domestic economic recovery is not solid, private investment is still weak, and risks remain in the property market and small financial institutions. **China will intensify efforts to attract foreign investment** and facilitate the launch of landmark foreign-funded projects. **It will expand**

**market access, continue to open up the modern services sector and ensure national treatment for foreign firms. The Foreign Investment Law improved the business environment for foreign investors,** Li said. The number of items on “negative lists” was reduced by 51% across the country and by 72% in pilot free trade zones, of which 21 have been established, including the new Hainan Free Trade Port.

Li said China will take active steps to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). “We should continue to leverage the role of imports and exports in driving economic growth,” he added. China will launch a number of technological innovation projects this year and press ahead with building international and regional innovation centers. Government expenditure on basic research will double over the next five years.

Manufacturers and medium and small technology firms will be allowed to deduct 100% of their R&D spending from their taxable incomes, according to the government work report. Li Keqiang says China has promoted “high-quality cooperation” under the Belt and Road Initiative (BRI). Imports and exports between China and Belt and Road countries increased 13.4% last year, and exchanges and cooperation with these countries have shown “steady progress” in a wide range of areas, the Premier said.

Aged care services will be improved and the three-child policy is being implemented. China's population declined for the first time in more than six decades last year, while the population continues to rapidly age, fueling concerns of a deepening demographic crisis.

Turning to foreign policy, Li said China has conducted “major country diplomacy with Chinese characteristics” over the past five years. He highlighted the participation of President Xi Jinping and other leaders in multiple diplomatic events, including the Group of 20 Summit, APEC economic leaders' meetings, and summits with the European Union. “As a responsible major country, China played significant and constructive roles in enhancing international Covid-19 cooperation and addressing global challenges and regional hotspot issues, thus making important contributions to global peace and development. We resolutely safeguarded China's sovereignty, security, and development interests. We actively expanded global partnerships, worked to build an open world economy, safeguarded multilateralism, and promoted the building of a human community with a shared future,” Premier Li added.

Li said China will take resolute steps to oppose “Taiwan independence” and promote reunification. “We should advance economic and cultural exchanges and cooperation across the Taiwan Strait and improve the systems and policies that contribute to the wellbeing of our Taiwan compatriots,” he added.

**China has improved pollution control and is pursuing green and low-carbon development,** according to Li. The proportion of days with good air quality is now 86.5% in

more than 300 cities. The installed capacity of renewable energy has increased from 650 gigawatts (GW) to 1200 GW in the past five years, and the share of clean energy in total energy consumption has increased from 20.8% to over 25%. The South China Morning Post mentioned that in his last work report as Premier, Li allocated 25 pages to reviewing the achievements and problems in the past five years and only six pages on the plans for this year. A year ago more than 76% of the nearly 18,000-word report was dedicated to policy directions for the year.

**The defense budget will increase by 7.2%** to CNY1.55 trillion, according to the government finance report. The increase compares to a 7.1% rise to CNY1.45 trillion last year. China has maintained single-digit growth in its annual defense budget since 2016.

China's central government will increase spending on science and technology by 2% to CNY328 billion this year, amid a years-long drive by the United States to contain the development of Chinese technology. China's total expenditure on research and development (R&D) surpassed CNY3 trillion in 2022, 10.4% more than a year earlier and accounting for 2.55% of GDP, according to the National Bureau of Statistics (NBS). The central government's spending on R&D was largely unchanged last year, but once local government outlays were factored in, the combined total was 7.2% higher than in 2021. The government will also set aside CNY132.8 billion for grain and oil reserves, a rise by 13.6% from the previous year.

This overview is mainly based on the live blog of the South China Morning Post and additional reporting by the China Daily.

## Background briefing on the “two sessions” – NPC and CPPCC



**The National People's Congress (NPC) is China's legislature**, which started its session on March 5. **The Chinese People's Political Consultative Conference (CPPCC) is China's political advisory body**, whose National Committee began its annual session on March 4. Delegates to the CPPCC join the delegates to the NPC when the NPC is in session.

This year, the “two sessions” (NPC and CPPCC) aim to implement the policy guidelines adopted at the 20<sup>th</sup> National Congress of the Communist Party of China (CPC) held in October last year in legislative and government departments, outline a new growth blueprint after the zero-Covid policy was ended, and brief the world on China's stance on international issues. Following the once-a-decade Congress of the Chinese Communist Party (CCP)

in October last year, new leaders will be appointed to posts in the Chinese government at the current NPC session. President Xi Jinping is expected to be appointment to a third presidential term, and Li Qiang to become the new Premier.

The legislature (NPC) and political advisory body (National Committee of the CPPCC) will get new Chairpersons at this year's sessions. Zhao Leji, the No 3 in the Communist Party, is expected to replace Li Zhanshu at the head of the NPC, while Wang Huning will replace Wang Yang to lead the CPPCC National Committee. Besides the new Premier Li Qiang, new Vice Premiers, State Councilors, Ministers and the President of the Supreme People's Court (SPC) and the Prosecutor General of the Supreme People's Procuratorate (SPP) will be appointed.

**An overhaul of state institutions is also expected to be announced**, especially in the finance and technology sectors.

In an international survey on the two sessions, 20.06% of the respondents said that China's GDP growth was the most anticipated topic, followed by business and trade (16.66%), science-tech innovation (15.2%), environment (13.70%), politics (11.58%) and foreign policy (10.5%). A total of 8,290 people participated in the survey, organized by the China Daily and 10 overseas media organizations. Among respondents, 51.02% said they have high confidence in China's growth. The International Monetary Fund (IMF) increased its forecast for China's economic growth to 5.2% in 2023 in its World Economic Outlook report. The updated number was 0.8 percentage point higher than the October forecast.

## HIGH-TECH PARKS

### Shanghai plans sci-tech innovation park with over 1,000 high-tech companies



**Shanghai plans to set up the Grand neoBay Sci-Tech Innovation Park with over 1,000 high-tech enterprises expected to be settled there by 2025.** The neoBay Global Innovation and Entrepreneurship Community, the innovative and sustainable industrial incubator, and the prototype of the Grand neoBay, were launched near Shanghai Jiao Tong University (SJTU) in Minhang district in 2015. With continuous development, the incubator has expanded to a 17-square-kilometer Grand neoBay rim around SJTU and East China Normal University, becoming a scientific and innovation cluster with a complete service platform and ecosystem for growth and cultivation of sci-tech companies, Liu Duo, Vice Mayor of Shanghai, said at a press conference. At present, the Grand neoBay has completed 18 high-level scientific innovation platforms with the settlement of over 3,000 companies that possess key technologies.

**The plan for the innovation park emphasizes the integration of industry, education, research and applications.** The sci-tech center will have more than 600 high-tech enterprises, including more than 70 enterprises with an estimated market value of over CNY100 million by the end of 2023. By 2025, the Grand neoBay will be completed with over 1,000 high-tech companies and a regional output of CNY100 billion. Breakthroughs in a

number of core technologies in key industries are expected to be made. In order to achieve the goals, the plan also specifies five action plans containing 22 measures. The universities located in the center will be directed to open and share innovation resources and the fintech service system will be completed. The focus will be on **the three leading industries of biomedicine, artificial intelligence, and high-end equipment**, as well as on the “new track” of future industries such as the digital economy, green and low-carbon and the metaverse, the Global Times reports.

There are two prestigious institutions of higher education – Shanghai Jiao Tong University and East China Normal University – more than 10 scientific research institutes specializing in aerospace, aviation and shipbuilding, and more than 20 state key laboratories within the 17-square-kilometer bay, the China Daily adds. Shanghai Vice Mayor Liu Duo said that Grand neoBay has seen a transformation from ‘an innovation platform’ to ‘an innovation ecosystem’. She explained that the purpose of the new bay is to build a collaborative innovation system that integrates inputs from the government, industry, education, research, finance and the service sectors, attracts various entities, and promotes the free flow and integrated development of talent, technologies, capital and other factors.

Ding Kuiling, President of Shanghai Jiao Tong University, said that by combining the country’s major strategies and the school’s academic strengths, the university has pushed forward innovation plans in the ocean, health and information fields. “Over the past three years, the university has monetized more than 450 scientific research achievements with a total contract value of nearly CNY3 billion,” said Ding. “The figures were five times the amount of the previous three years, and I believe we’re at the beginning of another breakthrough period,” he said. He also noted that teachers and alumni of the university have started dozens of enterprises at Grand neoBay, and some of them are already applying for initial public offerings (IPOs) on Shanghai’s science and technology innovation board.

## ADVERTISEMENT AND SPONSORSHIP

Interested in advertisement in the FCCC Weekly or on the FCCC website? Send an e-mail to [info@flanders-china.be](mailto:info@flanders-china.be)



## CHINA NEWS ROUND-UP

### Covid-19 focus now on the vulnerable and on developing drugs and vaccines

In his report on the work of the government, outgoing Premier Li Keqiang said that the Covid-19 pandemic had brought three challenging years. After curbs were relaxed, **China's response will now focus on vulnerable groups such as the elderly, children and people with underlying diseases** to prevent severe illness. He said the response should be more scientific and targeted, and **the development of new drugs and updated vaccines should be promoted**. Zhu Tao, Chief Scientist at CanSino Biologics, said the company is testing a bivalent, inhaled Covid-19 vaccine, as well as a new one based on the messenger RNA technology. Premier Li did not mention the zero-Covid policy which was scrapped in December last year.

**China has budgeted CNY170 billion for Covid-19 control this year.** The funds would go towards subsidizing local governments, especially those at the county-level, for Covid-19 prevention and control. The total amount would include CNY30 billion in carry-over funds from last year, according to the Ministry of Finance's report to the National People's Congress (NPC). Reports from 22 provinces and cities showed they had spent over CNY420 billion on zero-Covid measures, including mass testing, quarantine, contact tracing and vaccination. Guangdong province spent CNY71 billion last year on Covid-19 containment. The figure was CNY43.4 billion for Zhejiang province and CNY30 billion for Beijing.

**The Chinese Center for Disease Control and Prevention broke ground on a 171,500- square-meter facility in Beijing** to improve its infrastructure and research capability. The new facility is a Phase 2 project of the China CDC, and is part of the 102 major construction projects listed in the 14<sup>th</sup> Five Year Plan (2021-25). It is located in Beijing's Changping district and is adjacent to the first phase, which was completed in November 2006. The Phase 2 project will comprise research and laboratory buildings, information centers and graduate teaching buildings that cover the fields of chronic diseases, nutrition, maternal and child health, environmental health, radiation protection and occupational diseases.

**The city of Wuxi in Jiangsu province has deleted the first batch of 1 billion items of personal data** related to Covid-19 in order to avoid data breaches and protect people's privacy. According to the Wuxi Big Data Administration, the city had collected personal data, such as PCR test results and tracking data of those at risk of infection. Yan Chunshui, Deputy Director of the Administration, said deleting the data helps prevent personal information from being misused, saves storage space, and improves the storage efficiency of local government cloud services. In February, Guangdong province said in a notice that it would delete data relating to the local health code and protect citizens' privacy. Nearly 900 million people in China applied for health codes during the pandemic, which have been used more than 60 billion times. Users' data collected by the system usually include names, travel histories, health records and ID numbers.

There have been concerns over abuses related to such data.

Chinese embassies in several countries including Russia, Egypt, Singapore, the Maldives and the United Arab Emirates (UAE) have announced that travelers coming to China are allowed to use antigen tests instead of nucleic acid tests to board direct flights starting from March 1. The test should be carried out within 48 hours before boarding.

### China issues blueprint for digital development

The Communist Party of China (CPC) Central Committee and the State Council unveiled **guidelines for digital development and a timeline for construction of a "digital China" through strengthening 5G and computing by 2035**. Building a "digital China" is an important engine for promoting Chinese-style modernization in the digital age. By 2025, the digital infrastructure will have expanded in a broad range of sectors, and China will become a global leader in digital innovations; and by 2035, the level of digital development in China will be at the forefront of the world. Major technology breakthroughs are highlighted in the document, which vows to strengthen the "key capabilities" of building a "digital China." The guidelines also call for maintaining network security through improving laws, regulations and policies. "The document is directional, as it further refines and clarifies the development of the digital economy from the aspects of infrastructure construction, digital capabilities and the development environment," Pan Helin, Co-director of the Research Center for Digital Economics and Financial Innovation at Zhejiang University, told the Global Times. Pan added that the guidelines will bring opportunities to companies in communications, computing power and other high-tech areas, predicting that digital infrastructure will replace traditional infrastructure projects, and become the new growth engine of China's infrastructure development.

Known as a "backbone" of digital infrastructure construction, China installed 887,000 new 5G base stations last year, and the total number has reached 2.312 million, accounting for more than 60% of the world's total, according to the Ministry of Industry and Information Technology (MIIT). China's levels of digitalization and digital transformation are relatively advanced in the world, in terms of applications and the scale of the digital economy, Wang Peng, Research Fellow at the Beijing Academy of Social Sciences, said.

China's digital economy, ranking second worldwide for many years, has become a major growth engine for the country. In 2021, the value of China's digital economy had reached CNY45.5 trillion, accounting for 39.8% of its GDP, according to the white paper "Jointly Build a Community with a Shared Future in Cyberspace", released in June last year. "Prospects are promising but problems remain," Wang cautioned. First, China may still face some bottlenecks in key technologies. Second, unbalanced development among different regions and industries, as

well as urban and rural areas, constitutes another barrier, which may create a digital divide, said the expert. The guidelines call for open and win-win international cooperation in the digital field, the Global Times reports.

## Inspur and 27 other Chinese entities added to U.S. trade blacklist

The U.S. decision to add Inspur Group to a trade blacklist will constrain China's progress in artificial intelligence (AI) as the company provides over half of AI servers in the domestic market, according to Chinese analysts. Inspur, the world's second-largest AI server manufacturer, is one of 28 Chinese entities being added to the U.S. Commerce Department's Entity List, along with genetics firm BGI, chip developer Loongson, and AI unicorn 4Paradigm, due to alleged activities contrary to U.S. national security and foreign policy interests. Shares in Inspur's listed units dropped after the news. Inspur was originally at risk of being sanctioned by the U.S. in 2020 when it was included in a list of 20 Chinese companies alleged to have links with China's military, according to the U.S. Department of Defense. Intel briefly suspended shipments to Inspur in June 2020 but they were later resumed when it emerged the company had not been sanctioned.

The addition of Inspur to the Entity List means that the Shandong-based company will find it increasingly hard to source key components from U.S. suppliers, a move that will severely hinder the country's development of computing power. For example, Inspur is a key supplier of AI servers to Baidu.com, the search engine giant that is betting big on China-style ChatGPT services. Inspur has also signed strategic partnerships with Alibaba Cloud and Tencent Holdings, and its servers are also used by China's key infrastructure providers such as China Mobile. Xiang Ligang, Founder of Beijing-based telecoms-focused information portal CCTime.com, said the sanctioning of Inspur is a clear sign that the U.S. wants to deal a blow to China's computing power. "Inspur is a very important server company. **The U.S. is trying to contain China's rise in computing power,**" said Xiang.

A lack of advanced chips from U.S. suppliers such as Nvidia and Intel could be a particular problem for Inspur. In its 2019 annual report, which is the last time Inspur disclosed its top suppliers, Nvidia was ranked No 2 among its top five suppliers, accounting for nearly 8% of its purchasing budget that year. Jason Jia, Beijing-based lawyer at Zhong Lun, said that being added to the trade sanctions list will have a significant impact on a company that uses technology – from software to hardware – sourced from U.S.-related supply chains. Computing power and data resources are two of the most critical tools when it comes to advancing AI, according to Liu Jingfeng, Senior Researcher at Beijing-based technology think tank Jazzyear, the South China Morning Post reports.

## Most U.S. companies in China have no plans to relocate supply chains

Most of the U.S.-based companies operating in China have no plans to relocate their supply chains, even though bilateral tensions continue to pose a significant business challenge for them, according to the **2023 China Business Climate Survey Report**, which is based on a survey conducted by the Beijing-based American Chamber of Commerce in China (AmCham China). It said a positive bilateral relationship is extremely important to the businesses of its member companies in China. The study found that half of the Chamber's member companies are pessimistic about the future of China-U.S. relations in the coming year with three-quarters of members reporting their businesses have been impacted by trade tensions. For instance, about 24% of AmCham China's company members from the technology and research and development sector said that deteriorating China-U.S. relations were the primary cause of lower margins, worse than the impact of Covid-19 in that sector.

"While China-U.S. trade has continued to grow throughout the pandemic, bilateral relations have become increasingly complex for the U.S. business community in China to navigate," said Colm Rafferty, Chairman of AmCham China. About 74% of the Chamber's members are maintaining operations in China, emphasizing a long-term commitment to the Chinese market. They said that **improved China-U.S. relations are seen as vital for business growth** and both the U.S. and the Chinese governments have a critical role to play. Their priority suggestions for the U.S. and China governments are to refrain from aggressive rhetoric and tit-for-tat actions toward each other to establish a floor under the deteriorating relationship. China-U.S. economic and trade cooperation is in line with the interests of consumers and companies in the two countries, and is also important for world economic growth. Any moves toward "decoupling from China" would make it difficult for U.S. companies to operate in the Chinese market, enjoy its benefits, and seize the opportunities to expand their innovation capability, said Fang Ning, Researcher at the Institute of Political Science of the Chinese Academy of Social Sciences (CASS) in Beijing.

As more markets resume normal travel after three years of combating Covid-19, a third of expats plan to relocate to another destination or return to their home market within the next 12 months, whereas **75% of survey respondents in the Chinese mainland said they would stay in their host location** during the same period, according to findings of a **survey by HSBC**. This proportion ranks among the highest across the nine host locations surveyed, demonstrating that the Chinese mainland market is attractive to expats. More than three quarters of those who have relocated to the Chinese mainland, or are planning to do so, are interested in making long-term investments in their new host location. This is about 10 percentage points higher than the average across the nine host locations covered in the survey, the China Daily reports.



## 13,000 people prosecuted for IP infringements in 2022

Procuratorates have intensified the comprehensive judicial protection of intellectual property rights via specialized case handling, with **about 13,000 people being prosecuted for IP infringements last year**, according to the Supreme People's Procuratorate (SPP). They also intensified the supervision of civil administration litigation, which refers to a citizen or organization initiating a lawsuit against administration departments for violations. Procuratorates handled 937 cases of IP civil administration litigation last year, up 72.2% year-on-year. Liu Taizong, Director of the SPP's IPR Procuratorial Office, said that IPR cases often involve cutting-edge and professional problems, especially technical cases involving patents and trade secrets, requiring a team of prosecutors with professional knowledge and skills. To meet those needs, the SPP set up the IPR Procuratorial Office in November 2020 to coordinate resources from the criminal, civil, administrative and public interest litigation departments to carry out IP protection.

**By the end of last year, 29 provincial-level procuratorates had set up IPR procuratorial departments with professional personnel.** In 2022, the SPP also issued a guideline to clarify the principles, tasks, specific measures and case-handling procedures for IPR procuratorial work. "While strengthening the legal protection of IPR, procuratorial organs actively integrate the national IPR protection system, and their work is not limited to handling cases, but to put forward timely suggestions on social governance problems found to make up for the loopholes in governance," he said. In the process of case handling, the procuratorates have focused on the key national innovation sectors, highlighting protection in emerging technologies and in areas such as information technology, artificial intelligence and biomedicine, he said. About 220 people have been prosecuted for infringing on trade secrets in the past two years.

The SPP is encouraging procuratorial organs to set up IPR departments or specialized case-handling organizations in light of local conditions to integrate the resources from different procuratorial departments. Meanwhile, it will promote the system of assisting case handling by technical investigators and expert approval to ensure the quality of case handling. Procuratorial organs will also pay close attention to frontier IP issues in the fields of the metaverse, non-fungible tokens, databases and short videos, and strengthen in-depth research on different types of IPR, protection methods and legal risks, he said, as reported by the China Daily.

## Vice Premier Liu He calls for development of IC sector

**Vice Premier Liu He has called for efforts to mobilize resources nationwide to promote the development of integrated circuits**, and offer real national treatment to foreign chip experts, which industry insiders say is signaling a new round of more flexible supportive policies for the semiconductor sector amid curbs from the United

States. During a tour to IC enterprises in Beijing, Liu said that to develop the industry, China should take advantage of a new system for mobilizing resources nationwide and should make better use of government and market resources. He urged the government to formulate industrial policies in line with national conditions and new situations, play an organizational role in areas where the market fails, and guide long-term investment in the field. Efforts should also be made to form a mechanism to tackle major problems, where companies act as the main players, and rely on entrepreneurs to achieve healthy development of the IC industry.

"It shows that China is now seeking more flexible supportive policies in order to better mobilize resources in the IC industry so as to avoid wasting time and resources while exploring ways to solve bottlenecks," said Roger Sheng, Vice President of Research at U.S. market research company Gartner. Right after the Vice Premier's call, smartphone maker Xiaomi and software and cloud company Kingsoft, along with a handful of other investors, set up a CNY10 billion fund to develop chips and related technologies. "Amid U.S. chip sanctions, Liu's visit is expected to give strong confidence to companies and the entire chip market. It also sends a signal that a supportive policy for the semiconductor industry is likely to be launched soon," said Wang Peng, Researcher at the Beijing Academy of Social Sciences.

In addition, Liu highlighted the necessity of providing equal treatment for domestic talent alongside real national treatment for foreign experts so as to allow companies to better attract talent in the field. "The remarks made clear that the country will give more preferential policies to high-end talent in the semiconductor sector," Wang added. As the world's largest chip market, the Chinese mainland consumes more than half of the world's semiconductors, which are then assembled into tech products to be reexported or sold in the domestic market, according to research company Daxue Consulting. Microsoft Co-founder Bill Gates recently said that he did not get the logic of current U.S. sanctions on China and does not think the U.S. will ever be successful in preventing China from having cutting-edge chips, the China Daily reports.

## China to stabilize foreign trade and improve its structure

**China will step up efforts to stabilize foreign trade while improving trade structure, according to experts and officials.** Against severe challenges from soft global demand, rising protectionism and geopolitical conflicts, such moves are essential to facilitate the growth of foreign trade enterprises, they said. Commerce Minister Wang Wentao said at a news conference that, mainly due to soft global demand, China's foreign trade faces greater pressure this year compared with last year. "We will make more efforts to stabilize foreign trade and optimize the trade structure. At the same time, we will listen to the concerns of market players to formulate targeted policies and help them develop better in international markets," he added. Zhang Yansheng, Chief Researcher at the China Center for International Economic Exchanges, said it is crucial for China to stabilize exports and imports in labor-

intensive industries as well as those of foreign enterprises, to stabilize foreign trade this year against multiple negative factors, including the gloomy global economic prospects and the trade containment measures taken by some countries against China.

At the same time, **the country is expected to facilitate the growth of trade in services and the digital trade**, to create better conditions for the high-quality development of foreign trade. Wang also said that while reinforcing the growth of general trade, China will further encourage the transfer of the processing trade to inland regions from coastal areas, support the fast and healthy development of new trade models like cross-border e-commerce and overseas warehousing, and continue optimizing product offerings to cultivate new growth momentum. Zhou Mi, Senior Researcher at the Chinese Academy of International Trade and Economic Cooperation, said China's economic rebound will likely boost imports and provide a stronger foundation for exports this year. However, the country is expected to further add resilience to trade with traditional trading partners to enhance industrial and supply chain connections and expand trade networks, Zhou added.

Experts also said China is expected to further tap the trade potential associated with the Regional Comprehensive Economic Partnership (RCEP) agreement, which took effect last year. One example is the Beibu Gulf Port in Guangxi, which registered a throughput of 558,100 TEU in January, up 15% year-on-year, while many other ports experienced sluggish container throughput with empty containers piling up. Wang Guowen, Director of the Center for Logistics and Supply Chain Management at the China Development Institute, a Shenzhen-based think tank, said shipping activity between China and members of ASEAN will continue to grow this year, although many Chinese ports will face pressure from slowing external demand from Europe and North America, the China Daily reports.

## Over 6,000 U.S. importers ask refund of tariffs paid on Chinese goods imports

**More than 6,000 disgruntled American importers are demanding billions of dollars in reimbursements of Trump-era tariffs.** The firms contend that the U.S. government unlawfully disregarded public comments and did not assess the damaging effects on the American economy before imposing additional duties, ranging from 7.5% to 25%, on Chinese goods worth USD300 billion. "Did you take into account any of these comments? Did you come to some sort of modicum of independent judgment that these tariffs were appropriate in light of the devastating economic harm predicted by the largest industry and consumer organizations in the United States?," a lawyer for the plaintiffs asked during a hearing this month at the U.S. Court of International Trade in New York. Countering the argument from the Office of the

United States Trade Representative (USTR) that it had been following the President's orders, the lawyer said: "The President could have ordered 500% duties on 100% of China trade." Faced with rising prices for consumer goods, the Biden administration has been mulling the partial lifting of the tariffs to ease inflation.

An analysis by economist Pablo Fajgelbaum of the University of California, Los Angeles, found that tariffs through 2019 had led to a net loss of USD16 billion annually to the U.S. economy, including losses to firms and consumers. Another study co-written by Mary Amiti of the New York Federal Reserve Bank, said that "U.S. tariffs continue to be almost entirely borne by U.S. firms and consumers".

**Former U.S. President Trump announced four tranches of China tariffs under Section 301 of the Trade Act of 1974**, which lets the President take retaliatory action to press foreign countries to abandon harmful trade practices. The decision followed a 2017 investigation by USTR that accused China of indulging in discriminatory trade practices, costing U.S. commerce an estimated USD50 billion. The first two sets of 25% taxes, known as List 1 and List 2, were levied on Chinese goods worth USD50 billion in July and August 2018. In the ensuing months, Trump also imposed a 10% tax on another USD200 billion worth of Chinese goods in List 3. This was later raised to 25%. In 2019, Trump announced List 4a – an additional 7.5% duty on Chinese goods worth USD120 billion.

The lawsuit was originally filed in September 2020 by HMTX Industries, a Connecticut-based global manufacturer of vinyl tiles. It challenged the legality of the USTR's authority to extend the tariffs to Chinese goods beyond List 1 and List 2 and its compliance with the Administrative Procedure Act, which requires federal agencies to involve the public in decision-making by publishing notices on proposals and seeking comments. Within months, the case was amended to include more than 3,000 similar lawsuits filed by other American importers and handed over to a panel of three judges. The number of plaintiffs has now surpassed 6,000. In April 2022, the court rejected the claim that the USTR overstepped its authority in imposing the duties, but ordered the federal agency to justify its evaluation of comments submitted in response to the initial proposal to levy the third and fourth rounds of tariffs. In a 90-page response in August, the USTR said it was unable to exclude a wide range of products mentioned by public commenters because Trump had asked it to identify USD300 billion in annual trade to punish China. Experts following the case say a ruling could come in 2023, but that neither party will settle without an appeal to a higher federal court, the South China Morning Post reports.

Data from U.S. Customs and Border Protection shows that as of September 2022, more than USD150 billion has been collected under Section 301 tariffs in the previous four years.

**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](mailto:info@flanders-china.be)

**Organisation and founding members of the Flanders- China Chamber of Commerce**

**Chairman**

Mr. Kurt Vandeputte, Senior Vice President Battery Recycling Solutions, NV UMICORE SA

**Vice-Chairman**

Mr. Filip Coremans, Managing Director Asia, NV AGEAS SA

**Secretary and Treasurer**

Wim Eraly, Head of Corporate and Transaction Banking, NV KBC Bank SA

**Executive Director**

Ms. Gwenn Sonck

**Members of the Board of Directors and Founding Members:**

Mr. Kurt Vandeputte, Senior Vice President Battery Recycling Solutions, NV UMICORE SA

Mr. Filip Coremans, Managing Director Asia, NV AGEAS SA

Mr. Carl Peeters, Chief Financial Officer, NV AHLERS SA  
Mr. Philip Eyskens, Chief Legal & Compliance Officer, NV

**BEKAERT SA**

Mr. Philip Hermans, Managing Director Activity Line Dredging, NV DEME SA

Mr. Wim Eraly, Head of Corporate and Transaction Banking, KBC Bank SA

Mr. Johan Verstraete, Vice President Weaving Machines, NV PICANOL SA

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

**Membership rates for 2023 (excl. VAT)**

- SMEs: €475 (excl. 21% VAT)
- Large enterprises: €1,185 (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](mailto:info@flanders-china.be)

W [www.flanders-china.be](http://www.flanders-china.be)

**Share your story**

To send your input for publication in a future newsletter mail to: [info@flanders-china.be](mailto:info@flanders-china.be)

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](mailto:michel.jc.lens@gmail.com)

Disclaimer: the views expressed in this newsletter are not necessarily those of the FCCC or its Board of Directors.

**FCCC FOUNDING MEMBERS 创办成员**



**FCCC STRUCTURAL PARTNERS 重要合作伙伴**

