

China Business Weekly

27 August 2024



FCCC/EUCBA ACTIVITIES

Webinar: "Experiences of Bekaert of Investing in Weihai, Shandong Province"
29 August – 10h00 CEST



EU-China
Business Association
歐盟中國貿易協會



The Flanders-China Chamber of Commerce and the EU-China Business Association are organizing a webinar which focuses on **"Experiences of Bekaert of investing in Weihai, Shandong province"**. This webinar will take place on **Thursday August 29 at 10h00 CEST**.

During this webinar, you will hear of the experiences of companies that have already invested in Weihai, as well as more information about the investment environment and the pillar industries.

Several of our member companies, such as Bekaert, Beaulieu and Marquardt, already have major investments in Weihai. They have benefitted from the city's very business-friendly investment environment. The city has established several pillar industries, including machinery, food, transportation equipment, textiles and garments, medicine and medical devices, electronics and new materials. The emerging industries of Weihai are medical & healthcare, information & outsourcing and "intelligent" manufacturing.

Over the past 11 years, the Flanders-China Chamber of Commerce and the Weihai Foreign Investment Bureau have formed a strong bond to help build and then strengthen trade relations between both sides and to introduce each other's investment environments.

The program is as follows:

10:00 – 10:05: Welcome by Ms **Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce/EU-China Business Association

10:05 – 10:20: Presentation of Weihai and Interview on the Weihai industrial and investment environment with Mr **Hui Chen**, Chief Representative of Weihai in the EU

10:20 – 10:35: Experiences of Bekaert of investing in Weihai by Mr. **Sean Sun**, Senior Vice President, Rubber Reinforcement, North Asia, Bekaert

10:35 – 11:00: Q&A Session

Practical information:

Date and time: 29 August 2024, 10h00 CEST

Location: Online

Price for Members: Free

Price for non-members: Free

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Exclusive Luncheon with the new Chinese Ambassador in Belgium, His Excellency Mr Fei Shengchao – Tuesday 10 September – 12h00 – 'De Warande' – Brussels



The Flanders-China Chamber of Commerce is organizing an exclusive networking luncheon with **His Excellency Mr Fei Shengchao**, Ambassador of the People's Republic of China in Belgium. This luncheon will take place on **10 September 2024** at 12h00 at **'De Warande', Zinnerstraat 1, 1000 Brussels**.

During this luncheon Ambassador Fei Shengchao will deliver a speech on China's economic perspectives and its foreign investment environment.

This event is an excellent opportunity to introduce your company's activities in China to the new Chinese Ambassador in Belgium.

The programme is as follows:

12h00 – 12h30: Registration and networking

12h30 – 12h35: Introduction by Mr. **Philippe Latour**, Chairman, Flanders-China Chamber of Commerce

12h35 – 12h50: Speech by HE Mr **Fei Shengchao**, Ambassador of the People's Republic of China in Belgium

12h50 – 14h15: Networking lunch

The luncheon is certain to be well attended, so we strongly recommend you book now to guarantee your place.

Practical information:

Date: 10.09.2024

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

Price members: €125 excl. 21% VAT

Price non members: €165 excl. 21% VAT

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ACTIVITIES SUPPORTED BY FCCC

China Hi-Tech Fair (CHTF) – November 14-16, 2024 – Shenzhen



The China Hi-Tech Fair (CHTF) is a large-scale international event and China's premier tech show which demonstrates innovative technologies and products. Relying on Shenzhen's role as an international innovation center, CHTF has become an important window for China's high-tech field to open up to the outside world, and a top-level platform to help innovative tech companies increase brand awareness globally. Each year, China's national leaders attend CHTF's opening ceremony and deliver speeches. Over 150 delegations come from afar to explore groundbreaking technologies and new industry trends. Many world-renowned companies, such as Microsoft, IBM, Oracle, Siemens, Huawei, Tencent, ZTE, BYD, OJ, Philips, SAP, Sony, and Samsung, have exhibited at this event.

In 2024, the 26th China Hi-Tech Fair will feature 20 top fast growing sectors, including China's Leading Heavy Equipment, Top Tech Industry Chains, Clean Energy, High-end Machinery Manufacturing and Low-altitude Economy & Space, etc. Meanwhile, about 150 activities referring to forums, conferences, business matchmaking events, roadshows, new product launches and on-site signing ceremonies will be held concurrently.

You can register free of charge [here](#)

Deadline: 20 September. To better ensure your registration, we kindly ask you to send us the confirmation to saramedina@spi.pt

If you wish to have an exhibition space free of charge, kindly also indicate this in the confirmation email.

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FREE-TRADE ZONES

Innovation hub Lingang soars to new heights as it celebrates its fifth anniversary



The Lingang New Area of the China (Shanghai) Pilot Free Trade Zone (FTZ) marked its fifth anniversary on August 20. A milestone in its development, the area is now home to numerous advanced manufacturers including Tesla's first overseas gigafactory and the production base for China's first self-developed large passenger aircraft C919. As the area's actually used foreign direct investment (FDI) increased by 45.3%, it negated Western countries' "decoupling" and "de-risking" push against China. The figure also showed that global multinationals are increasingly counting on the Chinese market, and that China has become an irreplaceable and pivotal part of the global supply chain, especially in high-tech manufacturing, observers said. The second final assembly plant for the C919 aircraft will be built in the Lingang New Area, with a total construction area of 330,000 square meters and a total investment of CNY11.95 billion. It is expected that the factory's annual production capacity will reach 150 units by 2027, when the production line will run at full capacity.

"This would mark another milestone for the development of high-end manufacturing in Lingang, taking advantage of the area's pioneering role across a number of sectors ranging from the financial services and leasing industries, to systemic opening-up. It also aligns with China's ongoing drives to upgrade industries and make innovation a key engine of the national economy," Cong Yi, Professor at the Tianjin School of Administration, told the Global Times.

This is only one of the latest success stories since **the Lingang New Area was inaugurated on August 20, 2019**. In June, the Boeing Shanghai Aviation Services Co announced groundbreaking for its new facility in the area, which the company said aims to "leverage the unique regional and policy advantages" of the area. With a total investment of CNY850 million, the facility is anticipated to be completed by the end of 2025. "It is not an exaggeration to say that those developments in the area offer a vivid example of how China's continued deepening reform and opening-up will build an efficient institutional system that aligns with international standards and leads the country on a path of high-quality development," Cong said. The Lingang New Area is also a demonstration zone, where its practical experience of innovation in systems and opening-up would be gradually applied in other Chinese cities.

In May, U.S. carmaker Tesla broke ground on a mega

factory in Shanghai to manufacture its energy-storage batteries, Megapacks, making it the first energy storage megaproject outside the U.S. The plant is expected to start mass production in the first quarter of 2025. The gigafactory of Tesla, the first solely foreign-invested car manufacturing project in China, was put into operation in 2018.

Over the past five years, the Lingang New Area's regional GDP rose at an annual average rate of 19.8%. The region has blazed trails in opening-up, including trade liberalization, free flows of resources and foreign exchange management. In a latest move, an executive meeting of the State Council, presided over by Premier Li Qiang, reviewed and approved four documents, including the 2024 edition of the negative list for foreign investment access. China will relax restrictions on foreign investment further by completely abolishing entry barriers in the manufacturing sector, while accelerating the opening up of sectors such as telecommunications, education and health care services.

The China Daily mentions the example of **IAT Auto**. In late June, **China's first independent car design company** signed an investment framework agreement with the Lingang Special Area to conduct its automotive research and development, manufacturing and export operations. Xuan Qiwu, Chairman of IAT Auto, which has worked with over 80 industry leaders including Honda, SAIC Motor and Li Auto for the past 17 years, said there were major reasons the company was setting up in the Lingang area of the Shanghai Pilot Free Trade Zone. Apart from an extensive transportation network linking Lingang to the rest of the country and the world, various opening-up policies introduced to improve global competitiveness were good incentives for the company to expand its footprint there, he said. IAT's new facility will be located in Lingang's Yangshan Special Comprehensive Bonded Zone. The bonded zone has already attracted a large number of well-established overseas carmakers such as BMW and Fiat Chrysler Automobiles to build design hubs, and international centralized procurement and distribution centers for auto parts. Establishing itself in the zone is expected to accelerate IAT's internationalization, as Chinese automotive companies become more outward looking, Xuan said.

Apart from overseas companies, Lingang is also home to a large number of domestic companies in the auto industry chain. The possibility of working with more companies is another major reason IAT was attracted to the area, Xuan said. In 2023, more than 1.1 million intelligent connected cars were manufactured in Lingang, with the industry's annual output exceeding CNY300 billion, 10 times the size in 2019. U.S. electric vehicle maker Tesla can take a big part of the credit for progress made by the industry in Lingang. By launching a gigafactory in Lingang in 2018, Tesla helped build a full industry chain for intelligent connected car manufacturing in the special area. More than 180 companies have been providing auto parts or

services to Tesla's gigafactory. Of those, 105 are based in 24 cities in the wider Yangtze River Delta region. Tesla's 40 gigawatt-hour energy storage project, also located in Lingang, is scheduled to be operational by the end of this year. With CNY50 billion in investment, Tesla's gigafactory is the largest foreign-invested manufacturing project in Shanghai. Tesla's Vice President Tao Lin said the multiple institutional innovations introduced in Lingang were another major reason Tesla's operations were galloping ahead there. **Over the past five years, Lingang has realized 138 institutional innovations** covering free trade, investment, cross-border finance and high-end shipping. Just as importantly, 70 of these innovations were the first of their kind in China. Boeing Shanghai Aviation Services' modification and maintenance businesses in Lingang is

one of the latest, and best, examples of institutional innovation, the China Daily reports.

The four frontier industries in Lingang are the civil aviation industry, integrated circuits, artificial intelligence and biomedicine. The expansion of industries and new businesses, coupled with economic dynamism, has propelled Lingang's population from 440,000 in 2019 – when it was upgraded to become part of the Shanghai FTZ – to over 600,000 today. The government's efforts to attract fresh talent to the area have also played a big role. Over the past five years, Lingang has issued 1,110 work permits for expatriates and approved permanent residency for another 79 foreigners. Overseas returnees have set up 270 companies in the special area.

FOREIGN TRADE

China criticizes the EU's draft definitive findings on Chinese EV subsidies; launches case with the WTO



China's Ministry of Commerce (MOFCOM) criticized the European Commission (EC)'s draft definitive findings of its anti-subsidy investigation into Chinese electric vehicles (EVs), saying that China firmly opposes the EU's wrong move and vowing to take all necessary measures to safeguard Chinese businesses' legitimate rights and interests. The disclosure of the definitive findings further highlighted the EU's clear discrimination against Chinese EVs, and further complicated the ongoing talks, Chinese experts said. In a statement, a Spokesperson for MOFCOM said that the EU's investigation violated the principles of objectivity, fairness, non-discrimination and transparency, and did not conform to WTO rules. "The definitive findings disclosure released by the EU side did not fully absorb China's opinions, but still insisted on wrong practices, ruled for high tariff rates, and also used samples to treat different types of enterprises in China, distorting the results of the investigation. The final disclosure is based on the 'facts' unilaterally determined by the EU side, rather than the facts recognized by both parties, which China firmly opposes and is highly concerned about," the Spokesperson said. The official also said that since the end of June, the two sides have held more than 10 rounds of technical consultations.

In its draft definitive findings the European Commission

(EC) adjusted certain tariff rates for companies. Among the biggest adjustments was **a significant reduction of the rate for U.S.-based Tesla – from the 20.8% it indicated in July to the current rate of 9%.** Overall, the EC reaffirmed its previous findings that Chinese EV production had benefited from extensive subsidies and **proposed final duties of up to 36.3%,** compared with the previous maximum provisional tariff of 37.6%. The EC also slightly lowered tariffs on Chinese firms, including BYD, Geely and SAIC.

Chinese makers of battery-powered electric vehicles are "gravely concerned" over any European Commission move to levy long-term countervailing duties on imports of BEVs from China, as they are seriously considering Europe as a major investment destination, said the China Chamber of Commerce for Import and Export of Machinery and Electric Products. A number of European countries have been hoping that Chinese BEV makers will invest and set up factories in Europe. The EC's imposing of countervailing duties on Chinese BEV makers aims to hinder the export of Chinese products to Europe and thus encourage Chinese companies to invest in Europe and promote the development of the local automobile industry, help increase local employment and achieve green and sustainable development goals, the Chamber said.

Chinese experts said that the EC's move is clearly discriminatory against Chinese EV companies, as they are facing the highest tariff rates. "I think the EU definitely adopted a relatively different standard for global automakers and Chinese ones," Cui Dongshu, Secretary General of the China Passenger Car Association (CPCA), told the Global Times. Cui also said that the EU has taken "overly protectionist" measures against Chinese EVs that have gained a competitive edge. "The EU took unreasonable measures against Chinese EVs, mainly to inhibit the development of Chinese EVs in the EU and protect its backward industry. This is unfair treatment for Chinese EVs and completely wrong."

Trade frictions between China and the European Union escalated further, as the Chinese government announced its decision to take the bloc's import tariffs on Chinese electric vehicles to the World Trade Organization (WTO) for arbitration. In an online statement, a Ministry of Commerce Spokesman said China had filed a case against the EU at the intergovernmental organization over its preliminary ruling announced in early July. "The EU's preliminary ruling lacks factual and legal basis, seriously violates WTO rules, and undermines global cooperation in addressing climate change," the Spokesman said. "We urge the EU to immediately correct its wrongdoing and join hands to safeguard bilateral economic and trade cooperation, as well as the stability of EV industrial chains." A European Commission Spokesperson said they "took note" of Beijing's request for consultations. While the tariffs have been provisionally set, they will need to go to a vote of the EU's 27 member states before November. EVs made by BYD, the world's biggest-selling battery electric vehicle company, will face a tariff rate of 17% rather than 17.4%. For Geely-made EVs, the rate dropped from 20% to 19.3%. Another 17 companies deemed to have cooperated with

the EU's probe will face a slightly higher rate of 21.3%, up from 20.8%, after the Commission found errors in its initial calculations. Non-cooperating companies will pay the 36.3% maximum rate.

Meanwhile, **MOFTEC is considering raising tariffs on imported fuel-powered cars with engines larger than 2.5 liters** and has organized meetings with industry personnel, experts and scholars on the measure. Tariffs could be raised to a maximum of 25%. China's vehicle imports fell by 10% last year from a year earlier to 800,000, which included 196,000 petrol-powered passenger cars with engines larger than 2.5 liters from the EU, according to the China Automobile Dealers Association (CADA). The import value of large engine petrol-powered vehicles from the EU rose by 3% year-on-year to USD17.9 billion last year, higher than the value of EVs exported from China to Europe. Europe has been the primary destination for Chinese-made EVs, with about 38% of China's 1.2 million EV exports heading to Europe last year. In the first half of the year, China's EV exports to the EU declined by 15% year-on-year, according to Chinese customs data.

IT & TELECOM

China still five years behind in manufacturing advanced chips, but USD1 billion more made available for chip fund



China lags global leaders by five years in commercial manufacturing of advanced logic chips and continues to fall behind in semiconductor manufacturing equipment, although Chinese companies have made progress in other areas, according to a new report. In leading-edge logic chip manufacturing, top players, such as Taiwan Semiconductor Manufacturing Company (TSMC), are about five years more technologically advanced than Semiconductor Manufacturing International Corporation (SMIC), mainland China's largest foundry, according to report by the **Information Technology and Innovation Foundation (ITIF)**, a Washington-based science and technology policy think tank. TSMC, the world's largest contract chip maker, introduced in 2022 its 3-nanometer process, used in making some of the world's most sophisticated chips. SMIC, which was reportedly testing its next-generation 5-nm process, last year began

producing chips at the 7-nm node for Huawei Technologies' flagship Mate 60 smartphone, in defiance of U.S. sanctions aimed at capping Chinese firms at 14-nm.

The Shanghai Semiconductor Industry Investment Fund (SSIIIF), run by the municipal government to support the local chip industry, **has doubled its size to around USD2 billion after a new funding round**, as the Chinese semiconductor hub pumps more money into the sector amid U.S. sanctions targeting the industry. "China is investing hundreds of billions of dollars to become a leader in semiconductors, so it is making impressive strides, but its progress so far has been limited to certain aspects of chip development and production," said Stephen Ezell, ITIF's Vice President of Global Innovation.

Chinese firms are even weaker in the production of semiconductor-manufacturing equipment, as well as semiconductor assembly, testing and packaging (ATP). Despite innovative efforts, Chinese companies stand "several years more behind global leaders", the ITIF said. The future looks brighter in the design of logic chips, where Chinese companies have come closer to global leaders, falling only two years behind, according to the ITIF. Strong local demand for the design of logic chips used in mobile devices or artificial intelligence applications has fueled faster innovation, the report said.

The growth of China's semiconductor industry, particularly in older-generation chips, has been driven largely by massive subsidies, according to the report, as President Xi Jinping calls on all levels of the government to support the nation's chip self-reliance drive. Chinese chip companies have benefited not only from state subsidies, but also tax

or tariff reduction and exemption for equipment and materials, as well as land sales at reduced prices, according to ITIF. Since 2014, semiconductor-industry investments made each year by all levels of the Chinese government are likely equivalent to the USD52 billion in subsidies earmarked by the United States to encourage domestic semiconductor manufacturing under the Chips and Science Act of 2022, Chris Miller, author of the book *Chip War*, was quoted as saying in the report. While analysts have said that government subsidies are vital to support loss-making Chinese firms playing the long game, the report warned that China's "go-it-alone" strategy to create a "closed-loop" chip industry could prove highly difficult, given the complexity of the chip ecosystem. Substantial government subsidies have also led to an overcapacity in Chinese legacy chip production. The country's share of global mature-node production is expected to grow from 31% in 2023 to 39% in 2027.

The development has triggered concerns in Washington that China may dominate global supply of such chips. The U.S. has announced it would double tariffs on semiconductor imports from China to 50% next year. China now pins high hopes on ATP, as the country's share of global ATP facilities rose to 38% in August 2023 from 27% in 2021, according to ITIF. The world's five largest outsourced assembly and test firms, such as JCET Group and Tongfu Microelectronics, are Chinese. While over half of global semiconductor patent applications filed in 2021 and 2022 came from Chinese companies, twice those from U.S. companies, Chinese firms dedicated less of their revenues to research and development (R&D). **In 2022, the R&D intensity in China's semiconductor industry was 7.6%, compared with 18.8% in the U.S., 15% in the EU and 11% in Taiwan, the report showed.**

The SSIIIF raised CNY6.9 billion from investors, most of them state-backed companies based in Shanghai, to expand its capital base to CNY14.5 billion, according to business registry database Qichacha. The capital boost is expected to bolster the fund's capacity to finance projects vital to helping China reach self-sufficiency in the

semiconductor sector, and signifies Shanghai's commitment to developing chip technology. The SSIIIF is among funds set up by local Chinese governments to strengthen their chip industries, in addition to the China Integrated Circuit Industry Investment Fund, a national initiative also known as the "Big Fund". After the latest capital injection, Shanghai Science & Technology Venture Capital Group remains the SSIIIF's largest shareholder with a 35% stake, followed by Shanghai Guosheng Group and Shanghai International Group, each holding an 18% stake. All three entities are fully controlled by the local regulator of state-owned assets. The first phase of the SSIIIF, which dates back to 2016, invested billions of yuan into major chip foundries and semiconductor-manufacturing equipment makers, such as Semiconductor Manufacturing International Corporation (SMIC) – China's largest contract chip maker – as well as HLMC, a subsidiary of Hua Hong Group, and ACM Research Shanghai, a semiconductor cleaning tool manufacturer.

The second phase of the fund launched in May 2020 with CNY5.4 billion in equity investments from six backers, including Shanghai Science & Technology Venture Capital Group, Shanghai Guosheng Group and Shanghai International Group. The fund's capital base reached CNY7.6 billion in 2022. The SSIIIF's latest funding round followed the establishment of the Integrated Circuit Industry Parent Fund by the Shanghai government in late July, which earmarked CNY45 billion for investments into chip design, manufacturing packaging, equipment and materials, the South China Morning Post reports.

The Global Times reports that China's semiconductor companies posted stellar first-half gains. Of the 68 semiconductor companies that have released their financial reports for the first half, 40 reported revenue gains of more than 50%. According to CITIC, there are 157 A-share listed companies in China's semiconductor industrial chain. Companies making storage chips, contact image sensor chips and system-on-a-chip products posted impressive gains. China's chip exports reached CNY640.91 billion, up 25.8% year-on-year to a new record.

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CHINA NEWS ROUND-UP

China to expand sales of finished homes

Housing officials have reiterated their intentions to expand sales of fully finished homes – rather than half-built homes – in a bid to protect buyers and stabilize the sector. Stressing that a host of measures are being taken in the real estate industry to restore confidence and ensure the timely delivery of finished homes to buyers, authorities said that sales of finished homes will be "vigorously and

orderly" expanded in more locales. For selected projects, the sale of finished homes will be stipulated when land is auctioned. "Many localities have launched a number of trial projects to sell fully finished homes and have explored the reform of the housing sales system. Joint efforts are also being made to uphold homebuyers' rights and interests and to help developers get funding to complete projects," Dong Jianguo, Vice Minister of Housing and Urban-Rural Development, said.

Beijing's emphasis on selling finished homes is a rectification of the once-rampant practice of Chinese developers launching home sales when units were not built, or even before construction had started. Homebuyers who made down payments have often faced project delays or developer defaults. The country has seen a spike in project failures and delays in home deliveries amid the sector's downturn. **The emphasis on selling homes only upon their completion is putting more strain on the cash flow of numerous developers**, but the move has been hailed by homebuyers as a means of restoring lost confidence and shoring up transactions.

Investment in real estate development saw a year-on-year decline of 10.2% in the first seven months of 2024, constraining fixed asset investment (FAI) growth. Meanwhile, home sales across the country plunged by 25.9% through July, year-on-year. Officials also reaffirmed that measures will be implemented to guarantee timely home deliveries to buyers plagued by project delays and developer defaults, and that qualified builders are ensured access to easier funding under a so-called white list arrangement.

The property sector used to be a major growth driver, underpinning the economy by contributing to around a quarter of China's gross domestic product (GDP) if the output of related industries, including construction, is tallied together. Last year, the proportion of property added value accounted for about 6% of GDP. Now the sector is dragging the nation's economic recovery and straining developer and local government finances.

Beijing has called for lower mortgage rates and down payments, amid other property-easing measures, in a bid to galvanize the market. Last month's Third Plenum of the Communist Party's Central Committee also vowed to accelerate the establishment of a new model for the sector. The Ministry of Housing and Urban-Rural Development has identified 3.96 million unfinished homes in troubled projects nationwide that are due to be delivered to their buyers by year's end, as per sales contracts. Minister Vice Minister Dong said 5,300 "white list" projects across the country had received CNY1.4 trillion worth of loans for their timely completion, the South China Morning Post reports.

China launches countervailing probe into certain EU dairy products

China's Ministry of Commerce (MOFCOM) announced the decision to launch a countervailing investigation into certain dairy products originating in the EU, with immediate effect. Imports of fresh and processed cheese, as well as uncondensed milk and cream without added sugar or other sweeteners, will be investigated. In the first seven months of the year, China imported over USD315 million of affected dairy products from the EU. France was the top source, shipping products worth USD115 million in the period, with Italy second with USD43 million. The investigation would cover 20 subsidies benefiting the EU dairy industry and companies. Seven fall under the EU's common agricultural policy, while the remainder come from individual members, including Belgium, Italy, Ireland, Austria, Croatia, Finland, Romania and the Czech Republic.

This investigation started on August 21 and should be completed before August 21, 2025, said MOFCOM, noting that it can be extended for six months under special circumstances. The investigation was initiated in response to the domestic industry's application. On July 29, MOFCOM received a formal application from the Dairy Association of China and the China Dairy Industry Association on behalf of the domestic dairy industry to launch a countervailing probe. On August 7, MOFCOM issued, in accordance with corresponding laws and regulations, an invitation for consultations to the EU on relevant countervailing investigation matters, and it held consultations with the EU on August 14.

According to the evidence provided by the applicants and the preliminary review of MOFCOM, the total output of the relevant dairy products accounted for the main part of China's total output of similar products in the same period from 2020 to 2023 and the first quarter of 2024. Such a result was in compliance with Articles 11 and 13 of the "Countervailing Regulations of China." The investigation period for certain dairy products was from April 1, 2023 to March 31, 2024, and the industrial damage investigation period was from January 1, 2020 to March 31, 2024. Parties and governments of interested countries should register with the Trade Remedy and Investigation Bureau of MOFCOM to participate in this countervailing investigation within 20 days from the date of this announcement, according to the MOFCOM.

China's probe into certain dairy products from the EU is based on WTO rules, which is in stark contrast with the EU's unilateral move on Chinese electric vehicles, Yang Chengyu, Associate Research Fellow at the Institute of European Studies of the Chinese Academy of Social Sciences, told the Global Times. Additional reporting was provided by the South China Morning Post.

Chinese robots showcased at 2024 World Robot Conference in Beijing

Chinese robots were in the spotlight at the 2024 World Robot Conference in Beijing. Heightened efforts are needed to strengthen international cooperation in the robotics industry, speed up the application of robots in a wider range of industries, and jointly build an efficient and stable robotics industry and supply chains, said officials, experts and company executives at the five-day 2024 World Robot Conference in Beijing. Xin Guobin, Vice Minister of Industry and Information Technology, said at the opening ceremony that China is willing to work with the international community to bolster robotic technology innovation and industrial development. China will also welcome global stakeholders to grow their businesses in the country, encourage Chinese robotic companies to go global, and augment the use of robots in various fields like intelligent manufacturing and healthcare, he said. Highlighting the pivotal role of robots in promoting the in-depth integration of artificial intelligence and the real economy, Xin called for efforts to carry out basic research on robots and achieve breakthroughs in core technologies of key fields, so as to promote the high-quality development of the country's robotics industry.

As of July, **China owned more than 190,000 effective**

robot-related patents, accounting for about two-thirds of the global total. The country has maintained its position as the world's largest industrial robot market for 11 consecutive years, he noted. He further said that robot density in the manufacturing industry reached 470 robots per 10,000 employees, and service robots have been used in multiple sectors on a large scale, including family services, health and elderly care, adding that **the average annual growth rate of China's robotics industry is 15%**. The output of industrial robots in the country has increased from 33,000 units in 2015 to 430,000 units in 2023, with a compound annual growth rate of 37.8%. The output of robots used in the services sector jumped 21.3% year-on-year to 7.83 million units last year, according to the National Bureau of Statistics (NBS)

Marina Bill, President of the International Federation of Robotics, said China has made remarkable achievements in the robotics industry in recent years, emerging as the world's largest consumer market and a leading producer of robots. "Since 2013, China has consistently maintained the top position in global robot installations, playing a vital and irreplaceable role on the international stage." Chinese products such as collaborative robots, logistics robots and underwater robots have gained prominence in the international market, capturing a significant share of the total, she said. Bill, who is also the global head of marketing and sales and head of product line software and digital in industrial conglomerate ABB's Robotics Division, said, "China is actively promoting the research and development and application of humanoid robots, injecting new vigor and vitality into the diverse development of global robotics technology."

The deep integration of technologies like AI has made robots smarter, more flexible and more autonomous, said Alois C. Knoll, Professor at the Technical University of Munich in Germany. He said the conference has served as a prominent platform for actively promoting the deep integration of robotics technology across various sectors, while setting a very good example for promoting innovation and global cooperation in the robotics field, the China Daily reports.

At the conference, **UBTech Robotics**, a Shenzhen, Guangdong province-based robot developer, **is showcasing its industrial humanoid robot, Walker S**, which has been applied in car factories to carry out tasks such as intelligent sorting, intelligent quality inspection, and installation of car components. Tan Min, Chief Brand Officer of UBTech, said the emergence of humanoid robots will change the way people live and work, and improve production efficiency and people's quality of life. These robots, he added, will not only play a vital role in intelligent manufacturing, but could also be used in fields such as personal services, healthcare and education. An industry report co-compiled by UBTech and other partners has forecast that the market size of humanoid robots in China will reach some CNY2.76 billion this year and is expected to top CNY75 billion by 2029, accounting for 32.7% of the global total.

China approves five major nuclear power projects

The Chinese government green-lighted five new nuclear power projects, a record, as the country is boosting nuclear power construction as part of its transition to green and low-carbon energy, analysts said. The newly approved five nuclear power projects included 11 nuclear power units, which utilize a mix of China's self-developed third- and fourth-generation nuclear technologies, with the total investment expected to surpass CNY240 billion, according to the National Energy Administration (NEA). These new reactors will be located in coastal provinces including Jiangsu, Shandong, Zhejiang, Guangdong and the Guangxi region.

One key project is the nuclear energy heating power plant in Xuwei, Jiangsu province, the world's first to combine high-temperature gas-cooled reactors with pressurized water reactors. It will provide low-carbon industrial steam to the Lianyungang petrochemical base and advance the decarbonization of energy-intensive industries, operator China National Nuclear Corp (CNNC) said. With groundbreaking scheduled in 2025, the first phase of the project is set to produce 32.5 million tons of industrial steam annually and generate more than 11.5 billion kilowatt-hours of electricity, cutting coal consumption by 7.26 million tons and slashing carbon dioxide emissions by 19.6 million tons, according to the company.

With soaring electricity demand, China is steadily boosting the use of green energy, including nuclear power, Lin Boqiang, Director of the China Center for Energy Economics Research at Xiamen University, said, noting that **"hydropower and nuclear power remain crucial for supporting the low-carbon transition"** due to the insufficient scale of other renewables." Despite being a global frontrunner in nuclear power construction, China's support for nuclear energy remains rational and cautious, prioritizing safety, Lin said, as reported by the Global Times.

The South China Morning Post adds that China has been steadily expanding its nuclear power investment over the past five years, with the finished value of investment climbing year by year since 2019, when investment stood at CNY33.5 billion, according to the National Energy Administration (NEA). In 2023, the finished value of investment in nuclear power plants grew by 20% from 2022 to more than CNY90 billion, marking a five-year peak. **China operates 55 nuclear power plants, ranking third globally, and with 36 units under construction**, it possesses the world's largest nuclear power construction pipeline. According to the World Nuclear Association, about 60 power reactors are being constructed in 16 countries, with about 50% in China. China's latest approval followed the release of new green-transition guidelines by the State Council, which vowed to accelerate the construction of green energy bases, including nuclear power plants in coastal areas, wind and solar farms in the northwest and thermal power plants in the southwest. China has set a goal of reaching peak carbon dioxide emissions before 2030, and achieving carbon neutrality by 2060. It aims to raise the share of non-fossil fuel consumption to 25% by 2030, and gradually reduce coal consumption in the next five years. China's nuclear power

units generated 433.3 billion kilowatt-hours of electricity in 2023, contributing around 5% of the nation's power supply and replacing over 123.3 million tons of coal, according to the China Nuclear Energy Association.

Innovation Credit Score System to be implemented nationwide

The Ministry of Science and Technology (MST) has expanded its Innovation Credit Score System nationwide, offering unsecured, low-interest loans to technology-based enterprises in a bid to foster innovation. Initially piloted in 133 high-tech zones across 25 provinces from 2020 to the end of last year, the system provides loans to companies based on their innovation capabilities, which are assessed according to a series of indicators. The Ministry said nearly 20 banks provided over CNY200 billion in credit lines to eligible enterprises nationwide in the past two years. "Traditional bank loans focus on collateral and guarantees," said Wang Ningning, Deputy Director of the Innovation Department at the Industrial and Commercial Bank of China's Technology Finance Center. "Through the credit score system, financial institutions can assess the innovation capabilities of enterprises, guiding credit to invest early, especially in small and medium-sized companies with strong growth potential."

As of June, ICBC's branches had collaborated with 30 high-tech zones on the Innovation Credit Score System, approving over CNY100 billion in credit through the program, Wang added. Guangzhou High-Tech Zone in Guangdong province was among the first pilot areas. An official from the zone's Science and Technology Innovation Bureau said ICBC's Innovation Credit Loan had provided more than CNY6 billion to over 170 eligible enterprises in the zone. The evaluation process aggregates data from multiple departments – including science and technology, environmental protection and intellectual property bureaus – to create detailed profiles of enterprises. In addition to facilitating loans, high-tech zones offer additional policy support to enterprises with high scores. Wang said that evaluating enterprises for ICBC Innovation Credit Loans takes just one to three days. Companies authorize the bank to access their data in the innovation score system, eliminating the need for additional reporting and significantly improving loan efficiency.

After loans are disbursed, banks monitor borrowers' operations. ICBC's Wuhan branch in Hubei province has developed an intelligent marketing system to track key enterprises that receive innovation loans. "These enterprises have significant advantages in their fields," Wang said. "The Innovation Credit Loan has supported their early and growth stages, enabling rapid development and creating a virtuous cycle between industry, finance and technology." With the system's nationwide expansion this month, ICBC plans to extend its credit loan offerings accordingly.

The Ministry of Science and Technology's Guidelines for the 'Innovation Credit Score System' Work (National Trial Version) outline the indicators used to evaluate enterprises' innovation scores. They include 18 items across three categories: technical innovation, growth and operation, and

auxiliary indicators, the China Daily reports.

Number of foreign visitors to China more than double in first seven months

The number of foreign travelers to China more than doubled in the first seven months of the year after eased visa rules were implemented. The National Immigration Administration (NIA) said that from January to July, 17.254 million foreigners entered the country, a year-on-year increase of 129.9%. About 846,000 of those people entered China with **visas issued on arrival – up 182.9% on the same period last year.** The Administration said the higher numbers were expected to amount to more than CNY100 billion in direct spending. After three years of Covid-19 restrictions, China reopened its borders in January last year. It also began easing visa rules for overseas travelers, granting exemptions for visitors from 12 nations in Europe and a few in Southeast Asia. Visitors from 54 countries including the United States and 40 in Europe are also allowed to stop for up to 144 hours as they transit via 37 ports in China. In addition, foreign businesspeople can apply for a visa on arrival at 100 ports in 73 cities. Eligible foreign professionals going to China for business and cooperation on technology can apply for multiple entry visas valid for between two and 10 years.

As its economy tried to recover from the pandemic and tensions rose with the West, China reported a general decline in overseas visitors and investment. One of the brighter spots, though, was the Belt and Road Initiative (BRI), the country's flagship international infrastructure drive, which started to regain some momentum as the trillion-dollar development scheme entered its second decade last year. The NIA said a total of 10.66 million people from countries taking part in the BRI entered and exited China in the first half of this year, 2.6 times the number for the same time last year. More than 200 special channels at 24 ports have been set up to enable visitors from these countries to clear customs. A key element of the belt and road is transcontinental rail freight. The NIA said 78,000 border inspection and freight customs clearances were carried out for China-Europe express trains, 23.4% more than a year earlier. Using this rail system, fruit and vegetables from China could now reach Europe 30 days sooner than via sea routes.

Other services have been launched to help foreigners living in China. In December, authorities started issuing new foreign permanent resident ID cards, enabling holders to check in at airports, high-speed train stations, and hotels without presenting their passports. The cards can also be used as ID to pay for utilities via platforms such as Alipay and WeChat, putting the documents on a par with those held by Chinese citizens. In July, mainland authorities also started issuing cross-border travel permits to foreigners who are permanent residents of Hong Kong or Macao, allowing them to stay on the mainland visa-free for up to 90 days. More than 30,000 people had applied for the permits. At the same time, nearly 800,000 travel permits have been issued to Taiwanese residents this year. The NIA said the number of residents from the island who applied to live in Fujian province exceeded the total of the past 10 years, the South China Morning Post reports.

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