

China Business Weekly

1 April 2025



FCCC/EUCBA ACTIVITIES

Webinar: After China's NPC 2025 – Key Factors Influencing European Companies' Decision-Making – 8 April 2025 – 10 am CET



The Flanders-China Chamber of Commerce and the EU-China Business Association are pleased to invite you to a webinar focusing on **China's evolved development strategy, reform priorities, and economic recovery – a "reality check" after the 2025 National People's Congress (NPC).**

The webinar will provide an up-to-date analysis of China's evolving strategic business context for European businesses, offering insights into key factors such as China's reform policymaking priorities, post-COVID economic recovery, and geopolitical factors. Furthermore, it will propose key takeaways from the 2025 National People's Congress (NPC), focusing on measures to address the structural issue of "insufficient domestic demand" and reflecting on the ongoing drafting of the 15th Five-Year Plan (2026-2030).

This session aims to support European businesses in making informed strategic decisions amid China's evolving economic and political landscape.

Programme

10:00 - 10:05 | Introduction by Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce

10:05 - 10:40 | Presentation: China's Evolving Development Strategy, Reform Priorities, and Economic Recovery – A Reality Check After the NPC 2025 by Markus Herrmann Chen, Co-Founder & Managing Director, China Macro Group

10:40 - 11:00 | Q&A Session

Participation fee members: **free**

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Exclusive Innovation Trip China 2025 led by Carl Decaluwé, Governor of the Province of West Flanders – 25-31 May 2025 – NEW PROGRAM



Discover innovation in China. Exclusive inspiration trip to Zhejiang province led by Provincial Governor Carl Decaluwé.

- Do you want to innovate and discover groundbreaking ideas?
- Do you want to discover China's technological leading edge and visit advanced technological companies?
- Do you want to network with Chinese managers and Belgian expats?
- Do you want to take advantage of the bilateral cooperation between the provinces of West Flanders and Zhejiang?

Take this unique opportunity and travel to Zhejiang, China's innovative hotspot and sister province of West Flanders, from 25 to 31 May, 2025.

What to expect?

- Visits to advanced technological companies
- Inspiring meetings with pioneers in industry
- Unique networking moments with Chinese and Belgian top managers

25 years ago West Flanders and Zhejiang signed a friendship agreement that would lead to a valuable partnership in academic exchanges, medical services and the circular economy.

To celebrate the 25th anniversary of this successful cooperation, the Province of West Flanders and the Flanders-China Chamber of Commerce (FCCC) are organizing an exclusive innovation trip to Zhejiang. This trip, led by Provincial Governor Carl Decaluwé, is also a unique opportunity to discover what innovation could offer in the future. Professor Dr. Rudy Aernoudt, Economics Professor at UGhent, is providing contextual advice for the trip.

Hangzhou, capital of Zhejiang province and home base of e-commerce giant Alibaba Group, has been nominated the best city for innovation. The city, where the gaming company Netease and Geely Auto are also located, has invested extensively in science and technology.

Following are four reasons to participate in the innovation trip with exclusive visits to Alibaba and a few of the “six tigers” of Hangzhou.

Do you want to innovate and are looking for ideas? Zhejiang is one of the most dynamic provinces of China and a pioneer in the fields of technology, e-commerce, sustainability and innovative industries. China, the second largest economy in the world, has an enormous market potential and the innovative capacity of the country is constantly growing. Cities like Hangzhou and Shanghai have become breeding grounds of advanced technology.

Do you want to be introduced to China's innovation and visit advanced technology companies? The innovation trip will take you to Hangzhou, home of the “six tigers”, including Brainco (brain computer interface), Unitree (robots), DeepSeek (AI start-up) en Gamescience (Wukong game). These high-tech companies are considered the beginning of a transformative period for the city. We will visit a few of them, such as Leapmotor (electric vehicles), Alibaba (e-commerce) and Ant Group (fintech). A visit to Shanghai will follow, the financial heart of China, an international maritime center and world leader in container handling. CEOs and experts from China's technology sector will accompany you on the company visits.

Do you want to meet Chinese company leaders and Belgian expats? In addition to official activities and company visits, the program also includes info-sessions and networking events, where you will have the opportunity to make business contacts. Following registration, you will receive a template to indicate your details and targets so we can facilitate relevant business contacts in cooperation with the Flemish Economic Representative of Flanders Investment & Trade.

Do you want to surf on the unique opportunities that the bilateral cooperation between West Flanders and Zhejiang is offering? This innovation trip offers an exclusive insight into the cooperation with Zhejiang and the future of innovation in China. Do not miss this opportunity to participate in an inspiring trip to one of the most innovative regions in the world.

PARTICIPANTS

The program is multi-sectoral.

The number of participants is limited to 25, early registration is advised.

PROGRAM

25/05: Departure to Hangzhou, capital of Zhejiang province

26/05: Hangzhou: company visits

27/05: Hangzhou: Innovation seminar, company visits and gala “Celebration of 25 years of bilateral cooperation”

28/05: Hangzhou: company visits

29/05: Hangzhou and Shanghai: Transfer to Shanghai and company visits

30/05: Shanghai: closing seminar, company visits and networking event at the Belgian Consulate-General

31/05: Departure to Brussels or participation in the optional program “World Expo Japan”

PRICE

Travel and accommodation

- Basic price: €4,889
- Single supplement: €449
- Business supplement: €3,325

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Also for start-ups!

Costs of travel and accommodation are to be paid by the company. Under certain circumstances, FIT may provide financial support. For more information: <https://export.flandersinvestmentandtrade.com/nl/subsidie>

Do you want more information or are you persuaded to join? Read more via the following [this link](#)

MORE QUESTIONS?

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ACTIVITIES SUPPORTED BY FCCC

China International Logistics and Supply Chain Fair (CILF) – 24-26 September 2025 – Shenzhen



With its gigantic export and import flows, China remains an important market for our logistics sector. Therefore, **Flanders Investment & Trade will again be at the China International Logistics and Supply Chain Fair (CILF) in Shenzhen with a booth.** It is the top fair of the logistics industry at which all major companies are present at senior level.

Visitors are primarily interested in international e-commerce logistics, overseas warehousing, ports and forwarding, international express deliveries and air freight, rail and road transport, logistics and supply chain solutions.

Why participate?

- China accounts for 20% of world trade. The country is the third customer and the first supplier of the EU.
- China is known as the prime logistics hub of Asia.
- 2,000 exhibitors from more than 50 countries.
- More than 300,000 visitors from more than 80 countries/regions.
- More than 70 seminars on logistics.
- The fair presents a unique opportunity to present your innovative services and products to a worldwide audience, to discover the latest trends and to find Chinese customers.

Our offer

- FIT will be present with a product sample booth (PSB).
- A PSB is a low-entry alternative to a 'classic' fair participation. It is an open space, shared with other companies. You can present your leaflets, products and samples at a favorable cost.
- You delegate a (local) representative.
- We provide reception services and arrange the booth.

What? Fair participation CILF – China International Logistics and Supply Chain Fair

Where? Shenzhen, China

When? 24 to 26 September 2025

Ultimate subscription date? 15 April 2025

Price

Product Sample Booth (PSB)

Kmo: €2,000

Large enterprise: €4,000

Organization Flanders Investment & Trade in cooperation with Port of Antwerp-Bruges

[I WANT TO PARTICIPATE](#)

Do you still have questions? Discover more information on our website or contact us. We are happy to help you.

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PAST EVENTS

Webinar: R&D and Engineering in China – Insights and Best Practices from Industry Leaders – 25 March 2025



The **Flanders-China Chamber of Commerce** organized an insightful webinar on **R&D and Engineering in China** on **25 March 2025** where industry leaders shared their experiences and best practices.

Ms. Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce, welcomed the participants and introduced the speakers. China has established itself as a global leader in many areas of innovation, particularly in artificial intelligence (AI) and electric vehicles (EVs). Many of our companies are now operating in China for China. Driven by the size of the market, the strength of the local supply chain and the country's innovative capacity.

To succeed in the fast-changing environment it is essential that our business leaders embrace adaptability and visionary thinking. These are the kind of leaders that are joining us on our innovation trip to China from May 25 to 31. The Province of West-Flanders and the Flanders-China Chamber of Commerce are organizing this innovation trip to Hangzhou and Shanghai. Hangzhou has been named as one of the most innovative cities in China. We all heard about AI start-up DeepSeek, Alibaba, Geely and Unitree, which are all based in Hangzhou. The goal of this mission is to learn from China's innovation and explore potential opportunities for collaboration. In Shanghai we will exchange experiences with Flemish companies and also visit Chinese companies. The only way to understand China's innovation is by experiencing it first-hand.

Yves Van Rompaey, Senior Vice President, Corporate Research & Development, Umicore, talked about his **experiences in China**. Umicore transforms metals into material solutions through chemistry, material science and metallurgy, and recycles the material solutions. The biggest areas of Umicore's expertise are in battery materials, catalysis, recycling and specialty materials. Umicore is active from the mines to the end user. It is a global supplier, active in 29 countries over five continents. Most of revenue is generated by clean mobility and recycling, and most of the input materials are secondary and end-of-life materials. Umicore has eight production sites, seven commercial offices and one regional head office in Greater China. Automotive catalysts is a very big activity and we do the design of our catalysts there, being one of the market leaders in China.

Keys to Umicore's success in China is co-development with customers; collaboration with local universities and research institutes; and adapting quickly to local market needs. A new fuel cell catalysis plant is under construction close to Shanghai, which should be ready in 2026. We are creating one R&D footprint to connect all our activities. A big

driver is the growth of EVs. We also see a big growth in battery recycling. There is an incredibly fast development in AI and the use of these applications in different areas. Umicore is setting up a new innovation center in Shanghai to tap into the eco-system and have access to local top talent. The planned activities are fuel cell and recycling labs, and computational science and digitalization teams.

Kristof Roelstraete, R&D Manager, Picanol gave a presentation about “**Engineering Experiences in China**”. Picanol is part of the industrial Tessenderlo Group, which has five operating segments: agro; bio-valorization; industrial solutions; machines & technologies; and T-power. The Picanol Group is active in the machines & technologies segment. The Picanol Group is composed of Picanol; Proferro; Psicontrol and Melotte. The group has four production units with around 2,100 employees and €622.4 million revenue in 2023. Picanol set up its first production plant for weaving machines in China in 1994. It has a turnover of €420 million and is one of the most innovative players, producing the fastest rapier and airjet weaving machine in the world. Production plants are located in leper and Suzhou. Around 2,600 weaving mills across the world are using Picanol machines.

Picanol has R&D and test facilities in leper and Suzhou. High-end products are manufactured in leper and mid-end products for the Chinese market in Suzhou. Reengineering for the local market was needed because supplies could not immediately be sourced in China. **Technologies were adapted to the local supply chain. Some material specs were modified to local norms and availability.** In the meantime the same performance and quality is achieved in Suzhou as in leper and we are **moving from re-engineering towards co-design and global sourcing**. Critical components are still delivered from leper.

On intellectual property rights we have no illusions, there are eight copies of our previous model. Infringement of “internal” invention patents are difficult to detect and to proof so **you need to be one step ahead**. Design patents are very useful. The main leak of IPR is not with our employees but with the suppliers. Chinese patent applications are a big issue. They are bypassing original patents, are very distracting and require a lot of monitoring. For example the design of the push buttons was copied. Doing R&D in China is necessary because of the local eco-system of customers and suppliers; to move from pure re-engineering to co-design; and because of tax incentives in the Suzhou Industrial Park. We do not share all our know-how.

A Q&A session concluded the webinar. Q.: Is there a positive evolution in the enforcement of IP? Mr. Roelstraete: We have a good experience. Of course we were copied many times, but we won all our cases. The most important point is to be one step ahead as the quality of the copies is improving. **Q.: Do you see the need to use robots? Mr. Van Rompaey:** We start to buy more and more equipment in China – not necessarily robots – because the quality and price is good. **Mr. Roelstraete:** We don't have the intention yet to use humanoid robots in our assembly, but some of our customers are starting to use robots due to difficulties finding people. **Q.: What are the advantages in doing R&D in China? Mr. Van Rompaey:** It is critically important to be close to our customers. The advantages are that the eco-system is moving fast and new equipment is becoming available really fast. The eagerness of suppliers to co-develop is also an advantage.

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FOREIGN INVESTMENT

President Xi meets 40 representatives of the international business community at the Great Hall of the People in Beijing



Chinese President Xi Jinping reassured a group of foreign multinational executives from the United States, Europe, Asia and South America that China is committed to advancing reform and opening-up, saying that investing in China is investing in the future. Xi made the remarks when meeting at the Great Hall of the People in Beijing with more than 40 representatives of the international business community. The meeting was the latest in a series of interactions between high-level Chinese officials and global CEOs, following the China Development Forum (CDF) in Beijing and the Boao Forum for Asia Annual Conference 2025, which concluded in Hainan province on March 27. “I would like to express my heartfelt thanks to all the foreign enterprises that have participated in and supported China’s development,” Xi told the executives, whose businesses cover areas such as science and technology, manufacturing and energy. By the end of last year, nearly 1.24 million foreign-funded companies had been established in China, with paid-in foreign capital reaching CNY20.6 trillion. **Last year alone, some 60,000 foreign-invested companies were newly established in China, up 9.9% year-on-year.**

President Xi said that facts have proven that foreign-invested enterprises are important participants in China’s modernization drive, key players in China’s reform, opening-up and innovation, as well as crucial participants in connecting China with the world and involving the country in economic globalization. Throughout the process, foreign firms have in general received substantial returns, developed themselves, realized mutual benefits and win-win results, and also formed deep friendships with the Chinese people, he said. Noting that opening-up is China’s fundamental policy, Xi told the business leaders that China is promoting high-standard opening-up and steadily expanding institutional opening-up with regard to rules, regulations, management and standards. China’s door of opening-up will only open wider and wider, and the policy

of utilizing foreign investment has not changed and will not change, he said. Xi added that, as the country is committed to high-quality development and accelerating green, digital and intelligent transformation, and has a strong industrial support capacity, **China can provide the best testing ground for the latest innovations of the technological revolution and industrial transformation.** Highlighting that China is the world’s second-largest consumer market and has the world’s largest middle-income population, Xi said that China contains huge potential for investment and consumption.

Last month, China issued the 2025 Action Plan for Stabilizing Foreign Investment, putting forward 20 new measures on expanding opening-up in an orderly manner and boosting foreign investment. China will further expand its opening-up by focusing on lowering the market entry threshold, Xi said, **vowing to ensure a level playing field for foreign firms in China** and to provide convenience and legitimate guarantees for foreign investment in the country. At the same time, China will unswervingly pursue a path of peaceful development and strive to create an enabling environment for foreign businesses, he added.

Xi said that China has been and will remain an ideal, safe and promising investment destination for foreign businesses. Partnering with China will bring more opportunities. **Believing in China is believing in tomorrow. Investing in China is investing in the future,** he added. The March 27 meeting came against the backdrop of global economic fragmentation and rising uncertainties, and China has repeatedly expressed firm opposition to unilateralism and protectionism. Over the past weeks, the new U.S. administration has adopted an increasingly protectionist trade policy by imposing various rounds of tariffs on other countries. Xi told the business leaders that multilateralism is the inevitable choice for addressing difficulties and challenges facing the world, and economic globalization is an unstoppable historical trend. Foreign enterprises, especially multinational corporations, play a crucial role and bear significant responsibilities in maintaining the global economic order, Xi said. He stressed the need to work together to uphold the multilateral trading system, maintain the stability of global industrial and supply chains, and preserve an open and cooperative international environment, guiding economic globalization in the right direction.

Executives of FedEx, Mercedes-Benz, Sanofi, HSBC Holdings, Hitachi, SK Hynix and Saudi Aramco were among the global CEOs who attended the meeting. **Ola Kallenius**, Chairman of the Board of Management of Mercedes-Benz Group, said the meeting showed that the “Chinese government attaches great importance on advancing high-level opening-up, its role in stabilizing the global economy and the foreign companies that invest in China, which is very encouraging”, the China Daily reports.

AVIATION

China issues first operating certificates for autonomous passenger drones



Two Chinese companies have received the first-ever operating certificates (OC) for autonomous passenger drones issued by the Civil Aviation Administration of China (CAAC), the Global Times learned. It marks the first time that the regulator has issued these certificates for passenger-carrying civil unmanned aircraft, signaling the start of commercial operation in China's low-altitude aviation sector and representing a milestone in the development of the low-altitude economy and urban air mobility, industry insiders said. The OCs, issued by the CAAC, confirm that **the autonomous passenger drone meets the country's safety operation standards**. The companies that have these certificates can carry out commercial operations in approved air space and provide paid passenger services, according to a report by China Central Television (CCTV).

The CCTV report compared developing the low-altitude economy to "building cars," noting that while the three certificates – Type Certificate, Production Certificate and Airworthiness Certificate – confirm "whether a car can be built," the OC determines whether "a car can operate on the road." The two OC certificates were granted to Chinese drone makers EHang Holdings in Guangdong province and Hefei Hey Airlines in Anhui province. People will be able to book low-altitude flights just like booking a ride-hailing service, EHang said in a statement. The company will gradually expand and increase its commercial operation sites, establishing low-altitude transportation hubs across different areas of Guangzhou to provide regular low-altitude tours, urban sightseeing and commercial passenger services, according to the company.

The granting of the OCs means that people in Anhui's capital Hefei can purchase tickets to experience low-

altitude sightseeing tours and urban air commuting services, according to a report by the Hefei Daily. A representative of Hefei Hey Airlines was quoted as saying that the company will officially launch commercial passenger services at locations such as local parks in Hefei.

"Obtaining an operating certificate means that these two companies not only meet the technical requirements for commercial operations but also comply with stringent regulatory standards, marking a significant step toward standardized operations of autonomous passenger drones in China," Wang Yanan, Chief Editor of Aerospace Knowledge magazine, told the Global Times. Analysts noted that more Chinese companies are likely to apply for OCs in the near future. **EHang Holdings' EH216-S is the world's first and China's only passenger-carrying unmanned electric vertical takeoff and landing (eVTOL) aircraft to have obtained all three certificates**, EHang said in the statement. Having completed more than 60,000 safe flights, the eVTOL is set to facilitate urban air mobility, logistics and sightseeing, the company noted.

Luo Jun, Executive Director of the China Low Altitude Economic Alliance, told the Global Times that the issuance of the certificates marks a signal in the new and orderly development stage of China's low-altitude economy, under the joint efforts of civil aviation authorities, enterprises and society. "It is expected that trial applications will be conducted in designated areas to accumulate experience. Gradually, large-scale commercialization will begin with improvements in relevant standards and rules, as well as the establishment of flight service facilities," Luo noted. He estimated that it may take two to three years for big Chinese cities to fully embrace the low-altitude economy.

Earlier this month, Chinese authorities issued a special action plan to boost consumption. The guideline said that the government would speed up the supervision system for the low-altitude economy, and encourage the orderly development of low-altitude consumption, such as low-altitude tourism, air sports and consumer drones.

According to Wang, the autonomous passenger drones OC is also the world's first, which could not only facilitate relevant Chinese companies' technological upgrades – a process that is closely tied to mass application – but would also help them gain a first-mover advantage in snapping up global market share. Luo also noted that China will be able to export its low-altitude economy model to the Belt and Road partner countries, the Global Times reports.

LOGISTICS

U.S. and foreign shipping companies call for scrapping of port-fee proposal



The U.S. government is facing growing opposition over its plans to introduce steep fees targeting Chinese-linked ships entering American ports, with global shipping bodies and industry experts slamming the proposals as “disruptive” and counterproductive. The comments came as the Office of the United States Trade Representative (USTR) held two days of public hearings in Washington over the policy, which **would impose charges of up to USD1.5 million per port call for any shipping operator with Chinese-made vessels in their fleets** or new building orders with Chinese shipyards. USTR has claimed the port fees, which it first proposed in February, are necessary to protect America’s national security and combat the dominance of China’s shipbuilding industry, which the USTR judges to be built on unfair government subsidies. But the idea has sparked intense criticism from within the shipping industry, with insiders arguing the fees will harm the competitiveness of America’s own maritime sector while failing to curtail China’s lead.

“If implemented as proposed, it will be an extremely large disruptive event for shipments to and from the U.S., and with ripple effects which will subsequently be felt also in non-U.S. trades,” said Lars Jensen, CEO of industry consultancy Vespucci Maritime. During the first day of the hearings on March 24, representatives from several maritime groups – including two Chinese industry associations – urged policymakers to rethink the proposal and pursue a more effective approach to reviving America’s shipping industry. The China Association of the National Shipbuilding Industry (CANSI), represented at the hearing by its Secretary General, Li Yanqing, described the proposed port fees as “erroneous and inoperative” in its testimony. CANSI insisted it was open to U.S. efforts to revitalize its shipbuilding sector, and that China could even be a potential partner in this process. But the U.S. was simply using its accusations against China as an “excuse” to impose port service fees on global shipping companies, the Association argued.

The China Shipowners’ Association (CSA), which had four representatives at the hearing, said the proposed actions targeting Chinese-built vessels and Chinese shipping companies directly infringed upon China’s status as a “most-favored nation” under World Trade Organization

(WTO) rules. The CSA also alleged the proposal was in direct contravention of the 2003 Sino-U.S. Maritime Agreement, particularly Article 6, which stipulates that vessels from the two countries shall receive fair and non-discriminatory treatment regarding port access, services and fees when calling at each other’s ports. “The decline of the U.S. merchant fleet predates the rapid development of China’s shipping industry,” the CSA said in its comment.

Joe Kramek, President of the **World Shipping Council** (WSC), stated that the WSC **“strongly opposes” the USTR’s port-fee plan**. Though a revitalization of the U.S. maritime sector would be very positive, the introduction of “backward-looking, retroactive fees on shipping companies” would be unlikely to achieve this, Kramek said, adding that USTR should work with stakeholders of all types to develop “practical and thoughtful ways” to achieve its goals. **The proposed fees would raise costs for shipping companies by millions of dollars per voyage, as container vessels serving the U.S. market typically call at three to four ports in the country per trip,** according to Kramek. Shipping companies with China-made vessels would have to pay a USD1 million to USD1.5 million fee each time they enter a U.S. port. About 98% of all U.S. port calls could be subject to the charges, which would amount to an additional tax on American consumers of up to USD30 billion annually, according to WSC estimates. The damage to U.S. imports and exports would be significant, and jobs and businesses that rely on ports would also be affected, Kramek added.

Kramek pointed out that there were currently only 30 U.S.-built container ships active, with an average age of 24 years – meaning most are near the end of their typical lifespan of 20 to 30 years. The U.S.’ ability to quickly build and flag a larger fleet is also severely limited by a lack of shipbuilding labor and certified mariners, he added. Therefore, “the proposed requirements for exportation on U.S.-built and U.S.-flagged vessels, if applied to container ships, would not be realistic for many years into the future”, Kramek said.

The Baltic and International Maritime Council (BIMCO), another leading global shipping association, warned of the risk of a segregated U.S. market, as operators may reallocate their fleets to avoid the port fees. **U.S. imports and exports account for about 12% of global seaborne trade,** so any reorganization of maritime trade would have a much larger impact on the U.S. than on the rest of the world, while “their impact on Chinese dominance is much less certain”, BIMCO said in a letter to the USTR.

American business groups have also voiced opposition to the proposals. The National Retail Federation and the Retail Industry Leaders Association submitted joint comments to the USTR, warning that the proposal’s harmful effects would ripple across the national economy. “U.S. businesses and consumers will take the brunt of these service charges and be forced to bear increased costs,” the South China Morning Post reports.

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CHINA NEWS ROUND-UP

China holds first commercial space conference

The **2025 Commercial Space Conference and Exhibition** was held last week in Shenzhen, Guangdong province, on the theme “Exploring the Future, Building the Space Dream Together.” The conference highlights four core areas: in-orbit services and operations; satellite manufacturing and application services; commercial rocket transportation; and advanced space technologies. Over 350 attendees, including top executives and specialists from leading domestic and international commercial space companies, aerospace research institutions and universities, satellite R&D and manufacturing, satellite service applications, commercial rocket development, launch infrastructure, and pioneering tech firms, convened in Shenzhen to explore emerging opportunities in the commercial space sector.

China's 2025 Government Work Report has underlined the need to promote the safe and sound development of commercial space, the low-altitude economy, and other emerging industries. This was the second mention of commercial space in the Government Work Report since a first in the 2024 edition. With the firm support from government policies, the sector is expected to continue its strong growth momentum and yield more technology breakthroughs this year, said industry insiders approached by the Global Times. China's commercial space industry will enter a phase of transformation and upgrading in 2025, with the market size expected to exceed CNY2.5 trillion, and international cooperation set to continue expanding.

Duan Xiao, Chief Designer of the leading Chinese private space start-up **GalaxySpace**, told the Global Times that currently, space infrastructure development is emerging as a new engine for global economic growth. According to a report by the European Space Policy Institute (ESPI), the global space economy is projected to reach a value of USD1 trillion by 2040. Duan disclosed that GalaxySpace has built an advanced smart satellite factory. The facility's production line leverages cutting-edge intelligent equipment, including smart assembly robots, automated guided vehicles (AGVs) and automated measurement systems, paired with sophisticated software platforms such as digital manufacturing systems and automated integrated testing systems. This setup supports the full production of satellites weighing up to 2,000 kilograms, with the line capable of producing 100 satellites annually, according to Duan. At present, the company is working on the development of next-generation communication satellites capable of direct smartphone connectivity, accelerating the use of 6G technologies.

Space Pioneer, a Chinese private rocket company specializing in medium-to-large liquid launch vehicles and liquid oxygen-kerosene rocket engines, and notable as **the world's first private entity to successfully launch a liquid rocket on its maiden flight**, announced to the Global Times that its newly developed Tianlong-3, a large-scale liquid launch vehicle aimed at rivaling SpaceX's Falcon 9, is targeting its inaugural flight in 2025. The Tianlong-3 is projected to progressively reach a commercial launch capacity of over 30 flights annually starting in 2025. **Landspace, another private rocket maker based in Beijing**, revealed to the Global Times the company's ZQ-3 reusable rocket, which has successively completed vertical takeoff and landing flight tests at the 100-meter and 10-kilometer levels, is set to make its inaugural flight this year, the Global Times reports.

Chinese EV makers outsell Tesla in Europe in February

Chinese electric vehicle (EV) makers, including BYD, Polestar and XPeng, outsold Tesla in Europe in February, data from research firm JATO Dynamics showed, highlighting the growing competitiveness of Chinese EVs. In February, Chinese-owned car brands registered 19,800 new EVs in Europe, outpacing Tesla which registered just 15,700 units. In the same month last year, the former registered 23,182 units compared with the 28,131 registered by Tesla, JATO Dynamics said. **Best-selling Chinese car brands were Volvo, BYD and Polestar**. While Volvo recorded a 30% drop in battery electric vehicle (BEV) registrations, BYD and Polestar made substantial gains, with increases of 94% and 84%, respectively. Xpeng also performed well with more than 1,000 units, closely followed by Leapmotor with almost 900.

Felipe Munoz, Global Analyst at JATO Dynamics, said Tesla is undergoing major changes, facing growing EV competition and phasing out its top-selling Model Y ahead of a refreshed version, while also dealing with the impact of Elon Musk's political activity. According to Munoz, brands with fewer models like Tesla are more exposed to sales drops during model changeovers, as registrations typically decline before new versions become widely available. Despite external pressures, Chinese automakers delivered a solid performance in the last two years, with some brands posting growth in European sales. SAIC Motor posted a 26.1% sales increase across the EU, the UK and European Free Trade Association (EFTA) countries, even as overall new EU car registrations fell 3% year-on-year in the first two months of 2025, according to the European

Automobile Manufacturers Association (EAMA).

BYD released its 2024 annual report, with revenue reaching CNY777.1 billion – the first time in its history to surpass the CNY700 billion mark. The figure also exceeded Tesla's 2024 revenue of USD97.69 billion, marking the first time since 2018 that BYD has outpaced Tesla in annual revenue. Geely Auto also released its 2024 financial results, reporting a revenue of CNY240.2 billion and a 213% surge in net profit to CNY16.6 billion. The company's globalization strategy showed strong results, with revenue in Eastern Europe up 76.7%, rapid expansion in premium markets across the Middle East and Europe, and over 60% of overseas factory procurement localized. NIO reported record-high revenue of CNY65.73 billion for 2024, an 18.2% year-on-year increase. Its CEO Li Bin said the company aims to expand into 25 countries and regions by 2025, with overseas markets expected to become a key growth driver.

“The core advantage of Chinese EV makers lies in product competitiveness – particularly in smart driving and intelligent cockpit technologies,” Automobile Industry Analyst Wu Shuo Cheng told the Global Times. “The scale of China's auto industry brings significant cost advantages, allowing Chinese brands to remain price-competitive even amid rising tariffs,” he said. Wu added that as software takes on a larger role in the vehicle value chain, future profits will increasingly come from full-lifecycle services rather than just initial sales. Chinese brands continue to grow in overseas markets despite external pressures, driven by ongoing innovation in both technology and software,” Cui Dongshu, Secretary General of the China Passenger Car Association (CPCA), told the Global Times.

Chinese companies file record number of patent applications at EPO

Chinese companies filed a record number of patent applications in 2024 at the European Patent Office (EPO), demonstrating strong innovation in fields such as computing, communications and battery technologies. According to the Patent Index 2024 published by EPO, companies and researchers from the Chinese mainland filed 20,081 applications last year, accounting for 10.1% of the total applications the office received. The number of patent applications from the Chinese mainland have grown consistently over the past decade, more than quadrupling since 2014. “Despite political and economic uncertainties, companies and inventors from around the world filed a high number of patents last year, underlining their technological prowess and their continued investment in R&D,” said EPO President Antonio Campinos.

The strongest growth in Chinese companies was in the category of electrical machinery, apparatus and energy, which increased by 32.2% year-on-year. “The EPO's patent data is a clear roadmap for industry, policy, and investment priorities – tracking global innovation trends and offering insights into European patent application activity across industries and regions,” Campinos said.

According to EPO, patent filings for computer technology – which includes artificial intelligence (AI), machine learning,

and pattern recognition – led all categories for the first time with 16,815 patent applications at the EPO last year. Electrical machinery, apparatus and energy also posted strong growth, driven by advances in clean energy technologies, particularly battery innovation. As more Chinese electrical vehicle brands have been entering European markets, there has been a 79% surge in Chinese companies' patent applications in battery-related technologies. **Four Chinese companies are now among the top 15 applicants in battery technologies: CATL, Eve Energy, BYD and Zhuhai CosMX Battery.**

In terms of the overall number of patent filings at the EPO, ranked by companies, the leading Chinese company was Huawei, which filed 4,322 applications and stood second in 2024 behind Samsung, followed by LG, Qualcomm and RTX. Five other Chinese companies – CATL, ZTE, Xiaomi, Vivo Mobile and Tencent – ranked among the top 50 applicants at the EPO. In addition, Chinese patent owners have shown interest in filing the unitary patent, which offers innovators simpler and more accessible patent protection across up to 18 EU member states with a single request. Launched in 2023 by EPO, the unitary patent system has since gained popularity among Chinese patent proprietors, covering 17.9% of all granted requests, the China Daily reports.

Innovation key to economic growth, Vice Premier Ding tells Boao Forum

Vice Premier Ding Xuexiang said that the Chinese economy is growing steadily with a stronger outlook despite many difficulties and multiple challenges, thanks to its increasing capacity to drive growth through innovation. He made the remarks in a keynote speech at the opening of the Boao Forum for Asia Annual Conference 2025 – colloquially known as China's Davos – which was held in Boao, Hainan province, on the theme “Asia in the Changing World: Towards a Shared Future”.

“We will move faster toward greater self-reliance and strength in sophisticated science and technology, facilitate the integrated development of technological and industrial innovation, and foster and expand emerging and future industries, even as we transform and upgrade traditional industries,” he said. “In my view, apart from the rapidly developing new energy vehicles, other sectors such as artificial intelligence (AI), bio-manufacturing, quantum technology and the low-altitude economy will also thrive in China. They will offer opportunities not only for China, but also Asia and the world,” he added. Ding expressed his optimism about the Chinese economy, saying that China is among the world's fastest-growing major economies.

“In January and February, our economy got off to a steady start: the key indicators for industry, consumption and investment all grew faster than in 2024, continuing the upward momentum seen in the fourth quarter of last year,” he said. Speaking about China's GDP growth target of around 5% this year, he said the target is based on rigorous projections and methodical planning, underpinned by the country's growth potential and favorable conditions, and supported by its robust policy measures. Ding reiterated China's commitment to deepening reform and opening-up across the board, in order to deliver a more

business-friendly environment. Noting that opening-up is a distinct hallmark of Chinese modernization, Ding said that **no matter how the external environment changes, China will open wider to the world.** While steadily expanding institutional opening-up and further improving market access for foreign investors, the country will expand voluntary and unilateral opening-up in a well-ordered way, he said. “We warmly welcome businesses from all countries to invest and operate in China, join in the process of Chinese modernization and share in China’s development opportunities,” he added.

Artificial intelligence (AI) has ushered in the fourth industrial revolution and China has the opportunity to become a leading force. At the same time, the popularization of robots will change the way humans live and produce in the next 10 years, Zhang Yaqin, Academician of the Chinese Academy of Engineering (CAE) and Chair Professor of AI Science at Tsinghua University, told the Global Times at the Boao Forum for Asia (BFA).

Lawrence Jin, leader of Deloitte Global Chinese Services Group, highlighted China’s considerable progress in boosting innovation and the improvement in its business environment. “Over the past half a year, China’s innovation has gained significant global recognition. I believe this will not only support the next wave of globalization for Chinese companies, but also, to a great extent, boost the confidence of multinational companies in further investing in China and participating in its innovation ecosystem,” he said.

Abdulrahman Al-Fageeh, CEO of Saudi Basic Industries Corp, a petrochemicals manufacturer based in Riyadh, Saudi Arabia, said he is upbeat about China’s economy and his company will continue to expand its presence in the country. “Speaking of economic development, there are few countries that can match China,” he said, as reported by the Global Times.

China International Consumer Products Expo from April 13 to 18 in Haikou to be biggest ever

The upcoming fifth China International Consumer Products Expo, to be held from April 13 to 18 in Haikou, Hainan province, is expected to attract the highest number of participants compared with past editions, which points to the confidence of global consumer enterprises in China, the Ministry of Commerce (MOFCOM) said. The event, the largest consumer goods expo in the Asia-Pacific region, will become China’s first significant international expo this year, and an important platform for the country to further boost consumption and expand high-quality development, said the Ministry, the co-organizer of the Expo. In the recently delivered Government Work Report, boosting consumption was listed as a top priority among this year’s tasks.

“This year, the Expo is expected to attract the participation of more than 1,700 companies and over 4,100 brands from 71 countries and regions. This scale far exceeds the previous four editions,” said Sheng Qiuping, Vice Minister of Commerce, at a news conference in Beijing. The holding

of the consumer expo, coupled with the policies of the Hainan Free Trade Port (FTP), is expected to help drive the growth of duty-free shopping, catering, accommodation, and tourism in Hainan, promoting its development into a globally influential tourism and consumption destination, MOFCOM said. This year, the United Kingdom will serve as the guest of honor, and the UK, France, Switzerland and Slovakia will showcase their products in national exhibition groups. In addition, different provinces and cities across the country will showcase popular domestic products and time-honored brands. In addition to the exhibition of products, services consumption – such as healthcare and wellness, sporting events and artificial intelligence (AI) – will also be highlights of the event this year.

“With the hosting of four editions of the consumer expo, international consumer enterprises have increasingly felt the charm of the Hainan FTP and felt that the door of China’s reform and opening-up is opening increasingly wider,” said Gu Gang, Vice Governor of Hainan. In the first two months, total retail sales of consumer goods in China reached CNY8.37 trillion, up 4% year-on-year, and the growth rate was 0.5 percentage point higher than the whole year figure of last year, the China Daily reports.

New Alibaba AI model capable of processing images and video on phones

Alibaba Group Holding has introduced a new multimodal artificial intelligence (AI) model capable of processing text, images, audio and video on smartphones and laptops. The company launched Qwen2.5-Omni-7B as the latest addition to its Qwen family of models. With just 7 billion parameters, it is designed to run on mobile phones, tablets and laptops, making advanced AI capabilities more accessible to everyday users. The model can handle various types of inputs and generate real-time responses as text or audio, Alibaba said in a statement. The company made the model open-source, and it is currently available on Hugging Face, Microsoft’s GitHub, and Alibaba’s ModelScope. It is also integrated into the company’s Qwen Chat.

The company highlighted potential uses such as assisting visually impaired users with real-time audio descriptions and providing step-by-step cooking guidance by analyzing ingredients. The model’s versatility underscores the growing demand for AI systems that go beyond text generation. Alibaba’s foundational Qwen models have emerged as popular options for AI developers to build upon, making it one of the few major alternatives to DeepSeek’s V3 and R1 models in mainland China. Qwen2.5-Omni-7B has demonstrated strong performance in benchmark tests. It scored 56.1 on OmniBench, surpassing the 42.9 achieved by Google’s Gemini-1.5-Pro. It also outperformed Alibaba’s earlier Qwen2-Audio model in the CV15 audio benchmark, scoring one point higher with 92.4. For image-related tasks, it achieved 59.2 on the Massive Multi-discipline Multimodal Understanding and Reasoning Benchmark, beating the Qwen2.5-VL vision-language model.

The new model is optimized for portability and efficiency, as larger AI models typically require significant storage and

computational power. **It is part of a trend towards more efficient models that can be run locally on user machines without the need for an internet connection,** addressing data privacy concerns. Alibaba is also joining a global trend towards multimodal models that can handle much more than just text input and output. ChatGPT developer OpenAI made headlines again last week by adding image generation capabilities to its GPT-4o model. TikTok owner ByteDance recently unveiled InfiniteYou, a tool that can re-craft images while preserving subjects' identities. In January, DeepSeek released Janus-Pro, an updated version of its multimodal model launched in October, the South China Morning Post reports.

Profitability remains main concern for BMW in the face of tariffs

Profitability remains the main concern among European automakers in China, BMW's China CEO said, as cutthroat competition among carmakers within the country has added to the weighty external challenges brought by tariffs from the European Union. "BMW advocates free trade. We're against tariffs," Sean Green, President and CEO of BMW China, told the South China Morning Post at the annual China Development Forum (CDF) in Beijing. Green said his company is also a tariff victim, as the China-made Mini series under the BMW umbrella is also subject to Brussels' extra duties when exported to Europe. But he is holding out hope that dialogue yields common ground. "We hope the EU Commission could have constructive discussions on how to find a compromise during their visit to Beijing," he said. "That's in everyone's benefit to have a more equal tariff situation." China's Commerce Minister, Wang Wentao urged BMW to continue playing an "active role" in encouraging Brussels to reach a solution quickly, when meeting the company's Chairman Oliver Zipse in Beijing. Wang said resolving the dispute could send a clear, positive signal to the world when global trade is being hampered by unilateralism and protectionism. Green said Chinese investments into Europe through joint ventures with local firms could be one option, though not the only option.

Green also discussed how China is naturally part of the global supply chain. "We encourage our suppliers in China to go and support us elsewhere in the world, whether that's in the Americas or in Europe." **Green, meanwhile, laments the "challenging" business environment for automakers in China,** where profitability levels have come into question. "Hyper competition, discussed in the 'two sessions', is not easy to fix but has to be addressed for sustainable, profitable business," he said. "I expect to see certain actions taken this year by the central and local governments." Last summer, **BMW began raising prices of some models in China, taking a determined stance against vicious price wars that crimped profit margins.** "Everybody has to compete in the market, and consumers decide where the competition is. If consumers demand they pay less, you have to compete within this segment. It affects everybody," Green admitted. "We're caught within this very intense price competition. Luckily, we have products outside that bottom-end zone that could keep us in a healthy position."

Green expects the market to remain flat this year. "If you look at the total market, it grew last year, but total revenues

dropped, with pricing competition one of the biggest challenges," he said. "We have to find ways to keep profitability within the industry, and that benefits OEMs, the supply chain and also the dealer network. We have to keep stability and sustainability." But Green also said the formidable rise of China's home-grown manufacturers is natural. "If you look at Europe or the U.S., domestic brands are usually the strongest. **It doesn't come as a surprise that domestic brands get stronger in China,**" Green said. "China is still the world's biggest car market, and so long as you deliver what Chinese consumers need, you have a great chance of success. The future landscape that we see is full of opportunities," he said, as reported by the South China Morning Post.

New regulations on Anti-Foreign Sanctions Law enter into force

Regulations to boost the implementation of the Anti-Foreign Sanctions Law entered into force on March 24, stipulating the procedures and countermeasures China could take in case a country imposes sanctions on Chinese entities. The law stipulates that any person or entity found to have implemented discriminatory measures against Chinese entities or citizens may be placed on an anti-sanctions list. The law was passed in June 2021, but the new regulations now improve its implementation. The 22-article regulations elaborate on the scope of the items and punishments included in countermeasures. They also set rules to refine coordination and implementation of the law by government departments. Any foreign country seen to be adopting discriminatory restrictive measures against Chinese organizations and citizens, interfering in China's internal affairs, or endangering its sovereignty may be subject to countermeasures. Those on the anti-sanctions list can be denied entry into China, restricted from doing business in the country, and have their assets within China seized or frozen.

The regulations specify the seizure, detention and freezing of "other types of assets," "relevant transactions, cooperation and other activities" that are prohibited or restricted as well as "other necessary measures" stipulated in the anti-foreign sanctions law. Other types of property subject to seizure, detention, or freezing include cash, negotiable instruments, bank deposits, securities, fund shares, equity, intellectual property, accounts receivable, and other property and property rights.

Activities in the fields of education, science and technology, legal services, environmental protection, economy and trade, culture, tourism, health, and sports could be prohibited or restricted. "Other necessary measures" include, but are not limited to: prohibiting or restricting import and export activities related to China; prohibiting or restricting investment within China; prohibiting exports of relevant items to them; prohibiting or restricting providing them with data or personal information; revoking or restricting their relevant personnel's work permits, stay, or residence qualifications in China; and imposing fines.

The provisions authorize relevant State Council departments to order corrective actions against entities that fail to implement countermeasures in accordance with the law. Such entities may face prohibitions or restrictions

on participating in government procurement, tendering and bidding activities, as well as import-export operations involving goods, technologies or international service trade. They may also be barred from receiving or transferring data and personal information across borders, and may face travel restrictions or limitations on their stay

and residence in China. Organizations and individuals subject to countermeasures may request suspension, modification, or cancellation of the imposed measures if they rectify their actions and mitigate the consequences, according to the regulations, the Global Times and the South China Morning Post report.

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